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# China Report

AGRICULTURE

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31 December 1985

# CHINA REPORT

## AGRICULTURE

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AGRICULTURE PORTRAYED AS KEY TO NATIONAL STRENGTH

Beijing JINGJI RIBAO in Chinese 12 Sep 85 p 3

[Article by Deng Honghai [6772 1347 3189]: "A New Understanding of the Strategic Position of Chinese Agriculture"]

[Text] Agriculture is the foundation of the national economy. Not only can it become the dominant industry in a nation's national strategy, but it can also become an industrial foundation for a nation's taking a dominant strategic position in the world. This was the case in ancient China as well as in modern England and contemporary America.

Among the nations of the world, Chinese agriculture is richly endowed with natural resources. Through long practical experience, the laborers of ancient China created an incomparable system of intensive and meticulous cultivation, which they used to develop these abundant agricultural resources to create an exceptional manual agricultural production system, constantly producing large quantities of traditional agricultural export goods and agricultural processed goods which dominated the world market for a long time and which occupied a predominant position in the world until the appearance of industrialized agriculture.

The farming that enabled England to become the "breadbasket of Europe," the animal husbandry which resulted in "sheep outrunning man," and the agriculture of its colonies served as an industrial base for England's modern rise and one-time world dominance.

Relying upon its superior high degree of industrialized equipment and scientific technology to develop its superior agricultural resources, the United States has created the most advanced industrialized agriculture in the world, and combined it with pre- and post-production sectors to form the predominant industrial system in the country. This became a determining factor in guaranteeing a balance between domestic supply and demand and in guaranteeing social stability, an important means of earning foreign exchange and a strategic weapon for maintaining a dominant global strategic position. We should also note that there is a tendency for this role as the dominant industrial foundation to grow stronger each day. In the past 30 years, the proportion of America's industrial product in world trade fell from 22 percent

to 10 percent, but that of agricultural products rose from 10 to 18 percent. In the past 20 years, America has become the greatest agricultural product exporting country in this era, and each year agricultural exports account for one-third of its total exports; grain exports constitute over 50 percent of world grain exports and soybeans constitute 78 percent; foreign exchange income from agricultural exports was \$7 billion in 1970, and in the past few years it has reached \$40 billion, while the trade surplus reaches over \$20 billion annually. Precisely because of agriculture's extreme strategic importance, the United States has placed it in a superior position, second only to aeronautics and related sophisticated electronics industries, not begrudging major expense in the energetic management of agriculture.

China has possessed superior agricultural resources from ancient times down to the present, and the objective necessity and possibility of agricultural productivity determined by these superior resources occupying a dominant position in the nation's strategy and global strategy also still exists as before. And so under contemporary Chinese conditions, why have these superior agricultural resources not only not been transformed into superior agricultural products and agricultural processed goods, seizing the international market like ancient China and contemporary America, but on the contrary, allowing the international market for these traditional agricultural exports and agricultural processed goods to be snatched one by one by other countries? We must seek the reasons for this from contemporary developmental strategy. From the perspective of the superior position of China's agricultural resources, the traditional dominant role that China's ancient agriculture once had in global strategy, China's relatively superior position viz-a-viz American agricultural resources and Chinese agriculture's position of relative superiority in resources and technology viz-a-viz industry, not just the developmental strategy for China's agriculture but the system for development strategy for the nation's entire economy should get on a track that makes agriculture both the foundation and the dominant industry for a national strategy and for a global strategy.

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AGRICULTURAL PROJECTS BENEFIT FROM FOREIGN INVESTMENT

HK120407 Beijing CHINA DAILY in English 12 Nov 85 p 2

[Text] Agriculture has been flexing its muscles alongside industry in the drive to attract foreign investment and technology for modernization.

The newspaper ECONOMIC DAILY reports that China has signed cooperative farm agreements with 19 countries and that the nation's agricultural sector has established business relations with more than 120 countries.

The Ministry of Agricultural, Animal Husbandry and Fishery has concluded 120 contracts drawing more than \$400 million in foreign investment. Most of the money is earmarked for upgrading farms and related industries.

The projects include establishment of grain and bean production centers in Heilongjiang Province in northeastern China and in reducing salinity in 200,000 hectares in the provinces of Shandong, Hebei and Anhui.

The investments will also go toward rejuvenation of rubber plantations in Guangdong Province and restoration of grasslands in semi-arid northern areas.

In recent years, agronomists have introduced more than 2,000 new varieties of seeds from 70 countries for grain, fruit and vegetable cultivation.

Through international technical exchange, China has been scouting out new plant strains suitable for its growing needs and reviewing the latest in advanced technology and equipment.

The results to date have been positive-agricultural production is increasing.

China also introduced new livestock breeds, including high quality stud bulls, horses, sheep, lean pigs and chickens.

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AGRICULTURE MINISTER ON RURAL REFORM, DEVELOPMENT

OW132020 Beijing XINHUA in English 1441 GMT 13 Nov 85

[Text] Beijing, November 13 (XINHUA)--Each Chinese peasant is expected to have an annual income of between 800 yuan and 1,000 yuan by the end of the century, compared with 355 yuan in 1984.

This goal can only be achieved through various reforms in the country's rural areas, said He Kang, minister of agriculture, animal husbandry and fisheries.

In an article carried in the overseas edition of today's PEOPLE'S DAILY, he stressed that efforts should be made to reform the rural economic structure, rationally arrange the rural labor force, and raise the scientific and technological level in the countryside.

To make the rural economy more prosperous and further improve people's livelihood, he said, resources such as forests, water, grasslands, minerals, and coastal marshes should be developed, in addition to farmland.

The surplus labor force should turn to rural industry, mining, building, transportation, and service trades.

He predicted that the country's rural labor force will increase to 450 million people by the turn of the century, with more than two-thirds of them engaged in trades other than farming.

The minister also suggested that new science and technology should be spread more widely in rural areas to make production more modernized.

Small towns should be developed in the countryside to meet the needs of the fast expansion of the commodity economy, he added.

Since 1979, when China started a series of reforms of the rural economy, its agriculture, animal husbandry and fisheries have had bumper seasons for six years running, the minister noted.

The rural economy is becoming market-oriented, as more and more peasants are engaged in specialized production such as raising poultry and livestock, growing fruit, or mining.

By now, these specialized households account for 15 percent of the country's total 180 million rural households, according to the minister.

Meanwhile, about 4.5 million such specialized households have organized various economic entities engaged in production, processing, sales and transportation.

Township enterprises have become an important economic force as they created an output value of 150 billion yuan in 1984, about 40 percent of the country's agricultural output value.

As a result, the per capita income in China's rural areas increased to 355 yuan in 1984, a rise of 14.7 percent over the previous year, he said.

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RESEARCH GROUP FORECASTS AGRICULTURE BY 2000

HK230313 Beijing JINGJI RIBAO in Chinese 9 Nov 85 p 3

[Article by Niu Ruofeng [3662 5387 1496], Huang Bufan [7806 0008 0416], and Mao Fuchun [5379 1788 2504] of the "China's Agriculture in the Year 2000" Research Group: "China's Agriculture in the Year 2000"]

[Text] What are the prospects for our country's agricultural development by the end of this century? This is largely determined by our strategy and tactics of developing the range and quality of agricultural production. Judging by the present development, the prospects of our country's agricultural development in the year 2000 are bright.

1. There Will be Sufficient Staple Farm Products to Basically Meet the Needs of the People who Will be Comparatively Well-off

A major goal in nationwide agricultural development in the coming 15 or 16 years is, under the premise of vigorously improving economic results, to seek concerted development of agriculture, forestry, animal husbandry, sideline production, and fishery, to continuously increase the output of farm and sideline products of various kinds, and to improve the quality and raise the commodity rate of these products. It is estimated that by the year 2000, the country's total agricultural output value (including the township industries and those run by production teams) will reach 1,010 billion yuan, representing an average annual increase of 7.2 percent or an increase of 3 times over the 1980 figure. This means quadrupling the 1980 total agricultural output value. Per capita income in the rural areas will be about 700 yuan, and may exceed 900 yuan in economically-developed areas.

The total output of staple farm and animal products, and aquatic products will increase to a new high. It is estimated that by the end of this century, grain output will be 1,040-1,070 billion jin, cotton output 102-105 million dan, edible oil output 426-436 million dan, meat output 55.6-60.0 billion jin, egg output 20.4-32.0 billion jin, milk output 57.6-72.0 billion jin, and aquatic products output 11 million tons. Calculated on the basis of a population of about 1.2 billion, grain output will average 830-858 jin per capita, plant oil and sugar 12-12.5 jin, meat 45-48 jin, egg 16-25 jin, dairy product 46-58 jin, and aquatic product 18 jin. The output of nonstaple food products, such as fruit and vegetables,

will also increase considerably, and the level of food nutrition will rise remarkably. According to the ratio between accumulation and consumption specific in the previous 5-year plans, and based on the forecast and analysis of the total volume of farm products needed for consumption, it is possible, by guiding the consumption, to gradually achieve a balance between total demand and total output.

## 2. Grain Production Will Enter a New State, a Period of Stable Growth

The results of our research show that by the end of this century our country's per-capita availability of grain will be about 850 jin, total grain demand will be 1,000 billion jin, and total grain output 986-1,070 billion jin. Thus, minimum grain output will fall short of demand, and maximum grain output will surpass demand, with a surplus of 21.6 billion jin [as published]. Meanwhile, there will also be a remarkable change in the varieties of foodstuffs. Corn, potatoes, sorghum, and barley will be used as animal feed, white rice, wheat, millet and other varieties of refined grain will account for more than 60 percent of total grain output. People's food grain will basically be refined grain, and there will be a marked increase in the proportions of rice and wheat of fine quality.

Of course, we must also see that our country's agricultural production is still vulnerable to natural disasters. Large areas of low-yield and dry farmland, and other such factors, will result in unstable grain output. At the same time, it is difficult at present to narrow the differences between different regions. The acreage of farmland is diminishing year by year. In addition, there are discrepancies between the prices of farm products and their value, the channels of grain supply and marketing are still obstructed, and there is an urgent need to improve the grain storage facilities and management. For this reason, an arduous strategic task is to further adopt effective measures to insure stable increase in our country's grain production and to quickly improve the quality of grain products and increase the quantity of commodity grain products.

## 3. The Pattern of Agricultural Production and the Exploitation and Utilization of Natural Resources Will be Gradually Rationalized

The rational readjustment of the pattern of agriculture, forestry, animal husbandry, sideline production and fishery is a gradual, slow process. By the end of this century, as a result of continuous readjustment, the organizational structure of our country's agricultural departments and the pattern of rural production will undergo a series of changes. The characteristics of these changes are: 1) There will be a marked decrease in the proportion of the output value of the cultivation but a marked increase in the output value of forestry, animal husbandry, sideline production and forestry, so that there will be a change in the lopsided pattern of production in which the proportion of the output value of cultivation has long remained above 70 percent. 2) The speed of increase in the traditional output value of agriculture, forestry, animal husbandry, sideline production, and fishery will be noticeably lower than the speed

of increase in the output value of the newly emerging rural industries. 3) The speed of increase in forestry, sideline production and fishery will surpass that of cultivation. In cultivation, the speed of development of forage and cash crop cultivation will be more than double the speed of development of grain cultivation. 4) There will be a great readjustment in zoning in agricultural production, and farming will be carried out much more intensively.

**Cultivation.** The contradiction between grain and cash crop cultivation has long been an outstanding problem in cultivation. If grain crops alone are grown, the rural economy will be inactive, resulting in a slow development of grain production, and there also will not be much room left for growing cash crops. With the grain shortage eased, the processing of surplus grain to make animal fodder and other foodstuff becomes more and more important. At the same time, the development of the cultivation of such cash crops as cotton, oil-bearing crops, sugarcane, hemp, and tobacco will be determined by the market demand and the people's purchasing power and consumption level. By the end of this century, the proportions of areas planted to grain crops, cash crops, and other crops will be 74 percent, 15 percent and 11 percent respectively of the total area of farmland.

**Forestry.** It is necessary to exert persistent efforts to grow grass, plant trees, make the barren hills and marshlands green, readjust the proportions of varieties of trees planted, and actively improve the management of economic forests, shelter forests, and fuel forests. Attention should be paid to planting fast-growing trees in scattered plots on the plains, so as to make up for the deficiencies in forest resources. Intensive efforts should be made to cover 20 percent of the country's land with trees and increase annual timber output to 100 million cubic meters by the end of this century.

**Animal Husbandry.** Within this century, per capita consumption of meat will be doubled, that of egg products will increase by more than 4 times, and that of dairy products by about 14 times. The key to attaining these targets lies in developing the processing of fodder grain to ensure ample supply of forage grass, protein fodder, and other kinds of refined fodder. At present, over 95 percent of the meat in our country comes from the agricultural areas, and only 4-5 percent from the pastoral areas. Judging by the trends of development, by far the major portion of meat will still be supplied by the agricultural areas.

**Fishery.** Our country has fresh-water surfaces totalling 280 million mu, of which 75 million mu can be used for raising fish. At present, only 57 percent of these waters are used for fishery. Only 2.08 million mu of sea are used for fish breeding, less than 10 percent of the usable sea. In the future, attention should be concentrated on developing aquatic production and fish breeding, with emphasis on fresh-water fish breeding. At the same time, attention should be paid to actively developing marine fishery.

Sideline Production and Township Industries. With the development of township industries, the rural industries will become an independent industrial sector. The urban technological and intellectual resources as well as the surplus rural manpower will flow to the market towns. By that time, our country's rural areas will have gradually developed a new structure characterized by the coordinated development of agriculture, forestry, animal husbandry, sideline production, and fishery and the close combination of agriculture, industry and commerce.

#### 4. Several Questions Deserve Close Attention

First, it is imperative to consider the problem of agricultural development by proceeding from the general strategy of developing the national economy. Agriculture is man's prime want for his existence. The development of various sectors of the national economy must be compatible with the scale and speed of agricultural development and must not exceed the capacity of agriculture. Agricultural development should also be compatible with various kinds of assistance given by the various sectors of the national economy, so as to ensure a suitable scale and speed of agricultural development. Second, attention should be paid to the overall planning and coordinated development of goods production, consumption and circulation, and to injecting life into the rural commodity economy. Third, we must fully estimate and understand the pressure and consequences possibly caused by the continuous population growth and the yearly decrease in farmland acreage. We should strive to control population growth to within 1.2 billion by the end of this century. At the same time, we must actively improve soil, cultivate its fertility, and rationally grow crops by rotation or by the multiple-cropping method, so as to increase the everlasting productive capacity of the land resources. Barren land suitable for farming should be cultivated. Farmland on hillslopes with an inclination of over 25 degrees should be gradually planted with trees or used as pastureland, so as to protect the agricultural ecology and to maintain the present farmland acreage by the end of this century. Fourth, efforts should be made to extensively open up sources of funds for use in agricultural production, and attention should be paid to improving the results of investment in agriculture. Fifth, attention should be paid to promoting agroscientific and technological development and training qualified personnel. By the end of this century, the major branches of our country's agricultural science and technology will reach or approach the developed countries' level of the late 1970's and early 1980's, giving a great impetus to agricultural development.

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## TEN PROPOSALS FOR TECHNICAL DEVELOPMENT IN AGRICULTURE

Tianjin KEXUEXUE YU KEXUEJISHU GUANLI [SCIENTIOLOGY AND MANAGEMENT OF SCIENCE AND TECHNOLOGY] in Chinese No 8, 12 Aug 85 pp 17-18

[Article by Lu Yinchu [7120 6892 0443], Beijing Agricultural University: "Ten Points for the Technical Transformation of Agriculture"]

[Text] "The marvels of technology should be used first for transformation of the nation's most backward industry, agricultural production. Our duty and responsibility lie in the use of this power to place the most backward aspects of agricultural production on a new track, to reform it, and to change it from a blindly-run old style agriculture to an agriculture that is built on science and technology."<sup>1</sup>

### 1. The Direction of Reform of Agricultural Technology

There is a limit to the expansion of China's cultivated land area. Development of agricultural production during this century should rest on the foundation of labor intensivity, the gradual inputting of more scientific techniques, the inputting of more energy and materials thereby raising the level of technical intensiveness and energy intensiveness to create more agricultural products. Consequently, gradual change from the techniques of traditional agricultural experience to a foundation of modern science and technology becomes the central task in the technical transformation of agriculture, and raising the level of intensiveness becomes the direction of the technical transformation of agriculture.

### 2. The Road for the Technical Transformation of Agriculture

Transformation and innovation in agriculture must maintain the unity of social benefit, economic results, and ecological benefit. Selection of a comprehensive approach to technical development is the way for technically linking biological and non-biological techniques (chemical, mechanical and

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<sup>1</sup> Lenin: "Speech Before the First All-Russia Congress of Land, Poor Peasant Committees, and Communes" (1918), "Complete Works of Lenin," Vol 28, Renmin Chubanshe, 1956, First Edition, p 324.

physical) for the gradual formation of a uniquely Chinese system of modern agricultural techniques.

### 3. Key to Technical Transformation of Agriculture

Raising the level of biological techniques, including rational crop patterns, selection of superior breeds, scientific fertilization, proper irrigation and comprehensive measures for the prevention and control of diseases, insect pests and weeds, have been shown to be major ways in which to raise both per-unit-area yields and the gross output of agriculture. Thus, modernization of biological techniques centering around breeds is the key to the technical transformation of China's agriculture in this century.

#### a. Rational Patterns of Agricultural Production

The structure of agricultural production and rational agricultural crop patterns are important premises for the building of modern agriculture. There must be continued readjustment of the structure of agricultural production and of rational agricultural crop patterns, plus further improvement in the farming system based on the overall principles of suiting general methods to specific circumstances, making the most of strengths and avoiding weaknesses, and proper centralization in an effort to increase the level of specialization and socialization of agricultural production.

#### b. Breeding and Promotion of Superior Varieties

Varieties are the key to agricultural production. Various techniques should be selected for use, including conventional breeding, hybridization, and breeding using radiation to provide a large number of plant and animal genetic combinations in order to breed agricultural crop and livestock and poultry varieties that produce high yields, superior quality, and that have multiple resistance, and strong adaptability. This entails the building and perfection of a system for superior breed reproduction, examination and approval, promotion and management, and the gradual specialization of seed production.

#### c. Making Full Use of the Efficacy of Fertilizer for Increased Yields

Development of modern agriculture requires a combination of land use and care, and a combination of soil improvement and soil fertilization for steady improvement of soil fertility. This requires that careful attention be given to organic fertilizer in combination with active development of chemical fertilizer, a rise in the amount of chemical fertilizer used, and the use of scientific fertilization techniques suited to the soil, the crops and the time of year for an increase in the chemical fertilizer utilization rate.

#### d. Making Full Use of the Efficacy of Irrigation To Increase Agricultural Yields

The irrigated area of China's cultivated land has nearly doubled since liberation, bringing about a tremendous increase in output. Further work must be done to improve water conservancy facilities, to intensify the development of water conservancy, to improve irrigation techniques and to promote measures

that conserve water. Areas having requisite conditions should also steadily increase the irrigated area. A combination of engineering and biological actions thus should be taken.

Serious attention should be given at the same time to the expansion of dryland crop agriculture (farming that depends on rainfall). China's drylands account for more than half its cultivated land area. Transformation of the backward condition of dryland farming areas holds major strategic significance.

#### e. Enhancement of the Prevention and Control of Diseases, Insect Pests and Weeds

Diseases, insect pests and weeds are everyday causes of losses for farming and animal husbandry. Monitoring and reporting work on diseases, insect pests and weeds should be improved, and research and promotion should be done on pesticides of high effectiveness and low toxicity that cause little damage, and on herbicides and biological preparations. It is necessary to increase research and to adopt and use new overall prevention and control techniques that are consistent with ecological requirements to enhance our ability to control diseases, insect pests and weeds.

#### 4. Selective Mechanization

National conditions make impossible the across-the-board mechanization of agriculture in one fell swoop, and mechanization has to be markedly selective. That is, there has to be a planned, step-by-step adoption of advanced mechanical equipment, and a close linking of reduction of labor-intensiveness with increases in economic results, the use of advanced machine techniques and equipment, and advantages from use of the labor force being taken into consideration. Emphasis should be placed on the mechanization of farming, forestry and animal husbandry commodity bases before the year 2000. At the same time, small mechanical equipment suitable for specialized households and the contracting system should be developed.

#### 5. Development of Energy Technology in Multiple Ways

Energy is an extremely important material condition for modern agricultural production. Energy is currently extremely scarce for production and the daily life of China's rural villages. Effective use of industrial energy, multiple avenues for the development of new energy, gradual building of a diversified comprehensive energy structure, and a combination of the development and conservation of energy is not only an extremely urgent task at the present time, but is also necessary for sustained economic development.

a. The amount of mineral energy (coal and petroleum) has to be substantially increased and the utilization rate for this kind of energy improved.

b. Planned exploitation of ecological energy, particularly renewable energy such as water, solar, and wind energy. China has many rivers, those with a basin area of 100 square kilometers or more numbering 5,500. Its water energy reserves rank first in the world, but only 5 percent is used. Emphasis on development of a combination of large, medium and small electric power

equipment with small hydroelectric power stations as the basis should become a reliable way of resolving the energy problem for the country's major agricultural areas. Places lacking water resources but having ample sunshine or that are located in a windy region should emphasize development of solar energy power stations or the construction of small wind stations.

c. Effective use of biological energy. Biological energy is a new kind of energy. Development of methane technology equipment and improving its efficiency is an effective way of solving the country's rural energy problems and the return of organic matter to the fields.

#### 6. Improvement in Agricultural Production Conditions

During the past 30 years, China's rural villages have done a large amount of work in harnessing the agricultural environment, improving production conditions and improving the ability to withstand disasters, and tremendous achievements have been made. Nevertheless, for historical reasons, population pressure, the limits to which development can be carried, decline in soil fertility, erosion, natural disasters, and environmental pollution have tended to get worse in some areas. One important task in the technical transformation of agriculture is efforts to create the production conditions and the ecological conditions necessary to modern agriculture. Thus, it is necessary to continue to make use of labor's cumulative function, take appropriate actions that are workable and effective, buttress the capital construction of farmland, expand the farmland area from which consistently high yields may be harvested despite drought or waterlogging, improve low yield fields (red earth land, alkaline and saline land, and drylands), tackle mountains, water, forests, fields and roads in a comprehensive way, bring soil erosion and environmental pollution substantially under control (cities and villages coordinating actions), and substantially restore a benign cycle to the agricultural ecology by the end of this century, conditions for agricultural production and the state of the ecology thereby being fundamentally able to meet needs for development of agricultural production.

#### 7. Improvement and Increase in the Level of Administration and Management

Agriculture is a complex, open-ended system. Specialization and the production of commodities in agriculture require improvement in the level of management and making use of the function of management. Therefore, it is necessary to devote serious attention to planning, forecasting and decision-making in developing agriculture and exploiting agricultural resources; to formulate coordinated development programs and policies that benefit industry and agriculture, cities and rural villages, the building of the economy and maintenance of the environment; more use of economic methods and legal methods to advance development of the agricultural economy; vigorous training of persons skilled in the management of agriculture, intensification of the study of managerial science, and establishment and perfection of an agricultural management system fitted to the needs of building and developing modernization.

#### 8. Serious Attention to the Construction of Commodity Bases

Before the end of this century, a shift should take place in agriculture from self-sufficiency or semi-self-sufficiency to commodity production, and this will require emphasis on the building of commodity bases, greater modernization of techniques and management at existing bases, plus serious attention to funding and supporting bases with a potential to produce large amounts of commodities.

#### 9. Serious Attention to the Study of Emerging Techniques

At the present time, work in the agricultural field on developing emerging techniques should proceed along the following two general lines. First is the study of agricultural production systems analysis and systems engineering, macroscopically exploring coordination among biological factors in coordinated agricultural systems, between biological and non-biological factors, and between the agriculture and the environment (the entire national economy), creating an integrated productivity in agriculture that is higher overall. Second is use of achievements in molecular biology and biochemistry for the study of biological engineering (including genetic engineering, cytological engineering, enzyme engineering and fermentation engineering), microcosmically developing ideal crop varieties that are highly light efficient, multiply resistant and suited to special farming and processing needs, as well as superior varieties of livestock and poultry and new biological techniques for special purposes (such as medicine).

#### 10. Serious Attention to Intellectual Investment and Developing Educational Endeavors in Agricultural Science

Strengthening of research in agricultural science requires that scientific agricultural research be geared to the needs of economic development, and that a system for promotion of agricultural techniques be built and perfected. Leaders at all levels and managerial personnel in the agricultural sector should establish a psychology of relying on science and technology for vigorous development of agriculture, make full use of the enthusiasm of scientific and technical personnel, set the stage for scientific and technical work, and open avenues for applying the results of scientific research to production.

Development of agricultural education endeavors and doing a good job of running a variety of agricultural schools require vigorous development of rural education, the adoption of various kinds of effective methods for the popularization of scientific and cultural knowledge, and serious attention to raising the level of rural cadres' scientific and technical management.

9432

CSO: 4007/16

## BALANCED APPROACH TO AGRICULTURAL MECHANIZATION URGED

Beijing NONGMIN RIBAO in Chinese 6 Sep 85 p 3

[Article by Ji Yecheng [1213 2814 2052]: "Preliminary Analysis of Prospects for the Development of Agricultural Mechanization in China"]

[Text] For a long time now, one-sided sayings and propaganda which emphasize the position of agricultural mechanization within agriculture modernization, such as "the fundamental way out for agriculture lies in mechanization" and "agricultural modernization should be centered on mechanization," and even equating agricultural modernization with agricultural mechanization, have not had a good influence and should be corrected. Yet we cannot over-correct and cannot downplay the position of agricultural mechanization in agricultural modernization today, even to the point of assuming that we can have modernization without mechanization simply because it was stressed too relentlessly in the past. Agricultural modernization is the broad application of modern science and technology to agriculture, and of course, it must include mechanization. Agricultural mechanization is one of the important elements of agricultural modernization. The world has never known, and will never know in the future, a country that achieved agricultural modernization apart from mechanization. The problem lies in the fact that the development of China's agricultural mechanization must fully embody the special characteristics of China's countryside and its agriculture.

The popular saying that "agricultural machinery has no outlet in the responsibility system that contracts down to the household" has been around for a while now, but objective things always move forward according to their own inherent laws and cannot be deflected by the will of any man. With the development and perfection of the output-related responsibility system and the deepening of rural industry's structural readjustment, labor, funds, resources, technology, equipment and other key production elements have all been set free from a closed, stagnant, carved up situation and have been brought to life; agricultural mechanization is also one of these. Some people think that because China has a large population and little land, it does not need mechanization. Actually, the areas with the highest standards of mechanization, the greatest numbers of agricultural machines and the relatively highest mechanized economic results are precisely those areas with large populations and little land, such as the Jiangsu-Zhejiang region, the

Hebei, Shandong, and Henan plains, and the Zhu Jiang delta. This shows that population is a relative matter. Even though there are a lot of people, when there are enough production outlets, there are comparatively few people and not enough labor. With mechanization, we save labor, which can then march into new realms of production and shift into village and rural industry, commerce, and service industries. The peasants' pursuit of even higher economic results and new technology becomes the most valuable intrinsic motive force for developing agricultural mechanization. Mechanization not only supports the new production relationship based on the two-tiered economy; it is also the indispensable condition for rural industrial structural reform and the development of commodity production, and there is ample room for its capabilities at each level of the industrial structure.

Through more than 30 years of practical experience in agricultural mechanization, particularly the practical experience since the 3d Plenum of the 11th CPC Central Committee, we have gained much experience. But in short, just like the question of specifically how China's countryside should go the socialist route, how should China ultimately approach agricultural modernization? How should we go a Chinese-style route of agricultural mechanization? This is all still in the process of investigation. Taking the scale of agricultural production as an example, how large will it ultimately become, and what changes will occur as a result of farming by households? What about the extent and speed of the concentration of land into the hands of specialized grain households? No final conclusions have been reached on these issues. And these are precisely some of the determining factors affecting agricultural mechanization.

And a multitude of elements in agricultural mechanization are still in flux. For example:

While many areas are still developing the use of small tractors, some places have already experienced saturation and even seen a decline in their use.

After the amount of large and medium-sized tractors experienced a decline in recent years, a definite increase in their use has already begun to appear. The trend of peasant households buying small agricultural machinery is still developing; in some areas specialized farm machinery households have appeared with one household handling farm machinery and thus mechanizing the entire village; and still other places have voluntarily organized farm machinery cooperatives. Areas with well-developed industry and sideline production such as Jiangsu and Beijing now have factories managing farm machinery brigades, cultivating all the responsibility fields contracted by factory personnel.

A number of provinces feel that commune tractor stations serve no purpose and that they should be eliminated, and most of the commune tractor stations in Zhejiang have already been turned into farm machinery service stations, and they are working out quite well, with 95 percent of them changing from being run at a deficit to being run at a profit. Farm machinery associations have also begun to show promise in Hebei.

Contracting machinery to the individual was considered to be a good method and extensively spread, but now some places have experienced more harm than

benefit and feel that it is better to buy machinery than to contract it to individuals. Moreover, about 20 percent of the agricultural machinery originally held by the nation's communes, production brigades, and collectives has been run by collectives. After the villages in Beijing Municipality eliminated the production brigade system, all of the large and medium-sized agricultural machinery was managed by the village (that is, the former production brigade).

All of this shows that many problems in the field of farm machinery itself still do not fall into a pattern. It is still difficult to draw completely correct inferences concerning the direction China's agricultural mechanization. Much of our current fresh experience probably forms the basis for it, but we must guard against confusing the partial for the whole or the experience of one place for that of the entirety. As our past experience teaches us, we should bear in mind that it is dangerous to rely upon one model and say that "the entire nation should do things this way."

While we still have not completely resolved the old problems in the farm machinery industry, a number of new problems has arisen. For example, there are only 22 factories designated as small tractor plants by the Ministry of Machine-Building Industry, but at present there are actually already more than 100 factories producing small tractors throughout the country. According to a survey by the Construction Banks of Shandong, Guangdong, Jiangsu, Zhejiang, Hunan and Hubei, small tractor plants are operating at only 71 percent of capacity and yet this past year reached a new production capacity of 90,000 tractors, equivalent to 43 percent of the present production capacity. Other provinces show a similar situation, with considerable blindness in action. Moreover, the small tractors produced by many plants are inferior in quality and have a high price, a situation urgently requiring rectification.

At present there are atleast 3 million small tractors throughout society. The major development of small tractors primarily was begun as transportation, but with the rapid development of automobiles, the role of tractors in transportation will inevitably decline, and they will have to gradually expand their role in field work. From 1979 to 1983, the number of farm machinery operations in the nation declined. But in 1984, they began to rise again, and compared to 1983, the machine cultivated area increased 5.4 percent, machine sowing increased 3.3 percent, and machine harvesting increased 3.9 percent. This welcome change would indicate that farm machinery used primarily by services is an inevitable trend. Our small tractors have only one attachment and no other complementary farm tools, and the complementary rate for large and medium-sized tractors is only 1:1.6, and if this question is not addressed soon, it will become a great waste. At present the national average of land tilled per horsepower for tractors is only 8 mu, which is only equivalent to one-eighth of the area in 1965.

The "small household" pattern is probably one of the paths for Chinese-style agricultural mechanization, but it cannot be its only path; it must have a richer content. The situation wherein everyone works responsibility fields will probably continue for a long time, but it is not likely that everyone will buy farm machinery. The role of large and medium-sized farm machinery

cannot be underestimated. Large grain-growing households in some areas of the Northeast already rely upon machines to supplement hired labor.

For a long time most places will use a combination of mechanical and electrical power, animal power and human power. We do not necessarily need to seek total mechanization. Even if some peasants shift out of farming, they do not need to leave their villages, or they can leave the land without leaving the countryside, and in the agricultural busy season, a large labor force can still go down to the fields. Thus not every production link necessarily needs to mechanize. In recent years, peasants have bought a great deal of farm machinery, the great majority through credit. This year, credit has shrunk, and we cannot, and should not, be too quick to issue credit; nor should we promote a "new high tide of agricultural mechanization."

To summarize, "many" [duo 1122] is major characteristic of China, a nation of diversity, with each field having a problem of "many," and mechanization is especially like this. It should have many forms, many models, many varieties, many uses, and many sources of energy. The issue of China's agricultural mechanization should also be studied from many angles and at many levels, thinking a little more and a little deeper about each problem, and should not simply affirm and blindly infer. We should give full play to the creative initiative of the masses and, based upon their creations, move forward enthusiastically but selectively. To finalize things too quickly would only stifle the masses' creativity.

At the same time, we ought to strive to seek a form of mechanized farming under variations of the responsibility system and under different levels of production. We must give full play to the role of mechanization in promoting the development of a cooperative economy, and allow mechanization and cooperativization to benefit each other. We should fully exercise the role of farm machinery in implementing the policy of "allowing some people to prosper first" and in promoting the common enrichment of the people. We should seek the best plan for integrating the various aspects of economic results, ecological results, and social results.

12452

CSO: 4007/460

AGRICULTURE AS BASIS OF TRADE-INDUSTRY-AGRICULTURE ECONOMY

Beijing NONGMIN RIBAO in Chinese 6 Sep 85 p 3

[Article by Hui Xiqing [1920 6932 3237] "Agriculture Is the Foundation of the 'Trade-Industry-Agriculture' Economic Structure"]

[Text] For a long time, because the price of agricultural products deviated from their value, a situation was created where "farming consumes energy but makes no money," and economic returns from farming were low. Particularly in the past 2 years, a lot of rural labor has shifted from farming to non-farming activities, and the value of labor engaged in farming has become conspicuously lower than that of other fields. With this has appeared a tendency to think that industry is "hot," agriculture is "cold," and sideline occupations are "difficult," and the thinking of a lot of cadres does not suit the needs of comprehensive development of the rural economy, crippling their power to lead agriculture, and with few measures to study grain production; some people view the contracting of set purchases for grain as casting off the burden of grain tasks. Thus it is necessary to understand and establish anew the idea of "agriculture as the foundation."

The author feels that agriculture is the foundation for developing the national economy and for creating the "trade-industry-agriculture" pattern for the economy. Moreover, application of the newest technologies such as biological engineering aside, agriculture can create unprecedented new products, produce miracles, and give full play to functions that other fields can in no way duplicate. In reality, the cities must rely on the countryside to provide their supplies of agricultural and sideline products, China's light industry depends on agriculture for supplying 70 percent of its raw materials, and a considerable amount of export products also originate from agriculture. Besides, the greatest market for consuming industrial products is also in the countryside. If the prospects for developing agriculture are not great, the role of agriculture cannot be fully exercised, the position of agriculture cannot reach the heights that it should, and it will be difficult for other fields to develop. On the contrary, only by enhancing the position and role of agriculture will we be able to strengthen commodity consciousness and people's feelings for the land, breathe new life into agriculture, give new impetus to industry, and allow the entire rural economy to achieve unprecedented prosperity. And the reason is plain to see.

Even more noteworthy is the fact that in the countryside where industry is developing, we must attract the city's technology, funds and products even more, through some of agriculture's specific functions. And this kind of attraction is not hulling products, but should be a kind of inevitably renewed economic combination. Simultaneously, the countryside where industry is developing should also send rural technology and excess funds into less advanced areas and the interior, and so create a productive cycle of urban input, rural assimilation, rural feedback and further urban input, and through this, strengthen the relationships between city and countryside, coast and interior, and advanced and backward areas, promoting the common flourishing of the city and countryside, and then the entire countryside can prosper.

Speaking from the present stage, we must raise the results of agriculture itself, plan even better outlets, and create these three conditions:

First is to heighten intensive farming and raise the land utilization rate; second is to increase value through grain conversion and processing agricultural and sideline products; third is to strengthen socialized services, using expanded scales of management to increase returns to scale. To sum up, we must steadily deepen and extend the notion of becoming prosperous through agriculture. Only thus will we be able to raise the economic results of agricultural production. To be sure, in engaging in agriculture, seeking only results for agriculture itself is far from enough; nor will it do for the countryside to prosper through financial profits alone. Speaking from present circumstances, in adjusting the rural production structure, we must still deal with both the domestic and foreign markets, we must strike out with our agricultural products and earn money in other parts of the country and overseas. Moreover, through years of effort, we must create the conditions for converting from primarily emphasizing the domestic market to emphasizing the international market, at which point it will become clear that agriculture is the foundation of the "trade-industry-agriculture" economic structure.

12452

CSO: 4007/460

PEASANTS MOVING FROM POVERTY-STRICKEN AREAS

OW181927 Beijing XINHUA in English 1619 GMT 18 Nov 85

[Text] Beijing, November 18 (XINHUA)--By 1990, about 800,000 people will have moved from three poverty stricken areas in Northwest China to better areas under a government scheme to help the poor stand up.

While moving people out, the government has launched a mass drive to plant trees and grass in the areas, in the hope that in about ten years from now, ecological conditions would stop getting worse.

Since 1983, 132,000 peasants from the Dingxi and Hexi areas (Gansu) and Xihaigu area (Ningxia) have settled down in more humid, less densely populated areas including some along the Gansu corridor and in the grant bend of the Yellow River.

There the government has spent an annual average of 200 million yuan building irrigation projects, housing, schools, hospitals and other public facilities for them.

Housing building alone has cost 60 million yuan, according to a State Council office here in charge of the scheme.

Meanwhile, the World Food Program of the United Nations has invested 40 million U.S. dollars for irrigation projects and shelter forests.

The government hopes that in the next five years, all peasants in the three areas would be able to make ends meets.

At present, the annual income for peasants in parts of the areas is no more than one tenth of the national average.

The harvest would average 150 kg of grain per person in a normal year, and nothing in a disaster-affected year, the office told XINHUA.

Officials at the office described the migration as "entirely voluntary". Those who are willing to remain in their native places may do so for as long

as they wish, waiting to see improvements before making up their minds to leave or not.

Migrants are allowed to reserve their houses and land in their native places and move back if they like.

The office attributed the poverty of the three areas to drought and over population.

In the past 36 years, 23 droughts, including 11 severe ones, have afflicted the areas. During these periods, there were no harvests and the state had to provide relief.

There are 50 inhabitants per square kilometer, compared with the allowable six or seven per square kilometer set by the World Food Program for areas with an annual rainfall of less than 350 mm.

Since 1982, Hu Yaobang, Zhao Ziyang and other top leaders have toured the areas and called meetings to discuss ways of helping peasants there.

Gansu Province has so far completed 20 irrigation projects, adding about 65,000 hectares of irrigated area, and South Ningxia has added 12,000 hectares of irrigated area.

Migration of the poor is also under way in Northwest Qinghai Province, while Shaanxi Province has made preparations for the program.

Yunnan Province in Southwest China has also taken measures to help poor people emigrate.

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CSO: 4020/98

AGRICULTURAL SUCCESSES REPORTED DURING SIXTH 5-YEAR PLAN

Beijing JINGJI RIBAO in Chinese 18 Sep 85 p 1

[Article by Song Honggang [1345 4767 1511]: "Comprehensive Development of the Nation's Rural Economy During the Sixth 5-Year Plan; Main Features Include Speed, Effectiveness and Trend Toward Rational Industrial Structure"]

[Text] Data provided by the State Statistical Bureau show that during the period of the Sixth 5-Year Plan, after the nation's rural villages successfully carried out reform of the economic system, the rural economy greatly accelerated progress in commodity production, specialization and modernization and passed into sustained, stable and comprehensive development. Rapid development, a gradual trend toward a rational industrial structure, and marked rise in economic effectiveness were major features of rural economic development during this period.

Rapid development: Most major product output quotas were fulfilled ahead of the schedule set by the Sixth 5-Year Plan. Quotas for grain, cotton and edible oil were fulfilled 2 years ahead of schedule. Cotton output averaged a fairly rapid growth of 6.2 percent per year. Cotton output increased 1.3-fold over 1980, increasing at an average 23.3 percent per year. Oil-bearing crops averaged a 54.9-percent growth each year. Quotas for other products such as sugar, flue-cured tobacco, mulberry silkworm cocoons, livestock products, aquatic products, forestry products and the afforested area were fulfilled 1 year ahead of the Sixth 5-Year Plan schedule, with considerable average annual increases in output.

Gradual trend toward a rational industrial structure: In recent years, rural villages everywhere have preliminarily readjusted their production patterns and industrial structures. While insuring sustained growth in grain output, comparison of the structure of farming in 1984 with 1980 showed a 3.7-percent decline in the area planted to grain. This represented a decline in total area sown from 80.1 percent to 78.3 percent. The area sown to cash crops increased 21.1 percent, a rise from 10.9 percent to 13.4 percent of the total area sown.

Among farming, forestry, animal husbandry, sideline occupations, and fishery industries, the percentage of farming declined, while the percentage of the other industries rose from 28.3 percent in 1980 to 31.4 percent.

In the overall rural industrial structure, the proportion of the gross output value of agriculture in the gross output value of rural society fell from 68.8 percent in 1980 to 63.2 percent in 1984, and a substantial amount of the resulting surplus workforce and a certain amount of surplus funds were invested in diverse operations. As a result, secondary and tertiary rural industries burgeoned.

Proportional relationships within the rural economy gradually tended to become equitable, bringing about comprehensive economic development. National gross output value of rural society in terms of current prices reached more than 500 trillion yuan in 1984. In terms of comparable prices, this was a 58.4-percent increase over 1980.

Marked rise in economic effectiveness: The rural labor productivity rate rose markedly. In terms of comparative prices, 1984 saw a 54.2-percent rise over 1980. In the case of grain alone, each member of the workforce produced more than 470 jin more in 1984 than in 1980. The cultivated land productivity rate also showed a fairly great increase. Output value of farm crops per mu of cultivated land figured in terms of comparative prices was up 40.7 percent in 1984 over 1980. Output of agricultural and sideline products increased steadily and the commodity rate rose year by year. Amounts purchased from society were greater in 1984 than in 1980, purchases of unprocessed grain increasing 94.1 percent, purchases of cotton increasing 1.2-fold, of edible vegetable oil 65 percent, fresh eggs 50.9 percent, slaughter hogs 6.9 percent and aquatic products 28.7 percent. Total purchases from society of agricultural and sideline products increased 71 percent. When added to country fair sales, the commodity rate for agricultural and sideline products increased from the 49.6 percent of 1980 to 52.7 percent.

The rise in effectiveness of the rural economy was also manifested in a decline in all categories of expenditures as a proportion of gross income from the 39.1 percent of 1980 to 36.6 percent. The proportion of net income rose correspondingly from 60.9 percent to 63.4 percent.

The rise in effectiveness of the rural economy provided more funds to the country and increased accumulation. In 1984 tax payments from economic organizations at all rural levels increased 1.1-fold over 1980. Fund accumulations for these 4 years were 3.1-fold higher than state investment in agriculture during the same period. Peasant expenditures for the purchase of fixed assets in 1984 averaged 17 yuan per capita, and new fixed assets increased 1.8-fold over 1981.

9432

CSO: 4007/25

SCIENTISTS ASSESSING AGRICULTURAL SURVEY DATA

OW021154 Beijing XINHUA in English 1137 GMT 2 Dec 85

[Text] Beijing, 2 Dec (XINHUA)—Scientists are assessing the data collected over the past six years through a national survey on the amount, quality and distribution of China's agricultural resources.

The survey, covering soil, water, climate and biology, was launched following the 1978 national science conference.

Though not yet completed, it has resulted in over 30,000 findings and 40,000 maps, enabling people to have a "basically" clear understanding of such resources.

This will help China zone its agricultural development in a still more rational manner, officials here told XINHUA.

Assessment has been completed on the hydropower potential of China's rivers, followed by surveys in a selected number of counties in the valleys of ten major rivers, including Yangtze, where soil erosion is serious.

On the basis of their findings on climate, scientists have proposed zones for 20 major crops.

Work has been finished on both national and provincial scale on zoning studies of a dozen subjects, including farming, forestry, animal husbandry, fishery, water conservancy and rural energy development.

/9738

CSO: 4020/114

## MINISTER HE KANG AT NATIONAL FISHERY MEETING

OW101826 Beijing XINHUA Domestic Service in Chinese 1252 GMT 9 Nov 85

/Article by reporter Ren Zeli/

/Excerpts/ Beijing, 9 Nov (XINHUA)--At the conclusion of the National Meeting of Directors of Aquatic Products Departments and Bureaus today, He Kang, minister of agriculture, animal husbandry, and fishery, said: In the course of readjusting the rural production structure, it is necessary to correctly handle the relationship between agriculture and fishery. In carrying out structural reform, it is necessary to correctly handle the relationship between reform and enlivening the economy on the one hand, and strengthening macroscopic guidance and management on the other.

He Kang stressed: Generally speaking, reform in all aspects in fishery departments has been carried out well, and its progress is basically sound. However, development is still not even. We should improve macroscopic management and guidance in particular in order to match the situation of opening to the outside world and enlivening the economy. He suggested: 1) Fishing areas should continue to implement and perfect the production responsibility system. In marine fishery, the allround contract system should be further implemented down to the crew of every fishing boat. The boat may be taken as a basic accounting unit. Reforms in this area have been fruitful. In the future, we should arouse the enthusiasm of the crew members of every boat for production while joining efforts to provide logistics service to ensure "decentralized operations with centralized service." 2) Fishery administration should be improved to help the large numbers of grassroots cadres and fishermen correctly handle the relationships between immediate and long-term interests, and between partial and overall interests, so they will consciously implement the decrees on resource propagation, protection, and management, and safeguard production order at sea. 3) Market management should be strengthened, prices liberalized, and the market enlivened. It is also necessary to cooperate with the departments concerned in preventing the dealers from evading taxes and driving up prices. 4) State enterprises should be better managed. Enterprises which enjoy greater self-decision power, place responsibilities on factory directors and managers, and implement the economic contract system should be enabled to establish and perfect the rules and regulations, and exercise supervision and inspection accordingly. Reforms that have not been implemented should be implemented as soon as possible. 5) Reform of the system of education in the

science and technology of fishery should be carried out more quickly and successfully in keeping with the central authorities' guidelines. See to it that scientific research, education, personnel training, and technical propagation are coordinated to promote mutual development and make progress together for the service of fishery. 6) The characteristics of fishing zones should be considered in promoting spiritual civilization, so as to further improve the political and ideological quality of the contingent of fishery workers.

He Kang affirmed the achievements in fishery, while noting that China has great potential for production in this area. Some 80 percent of shallow beaches and 40 percent of inland water areas await exploitation. Per unit yields from water areas that are being utilized vary widely. There is even greater potential in large- and medium-sized water areas. The propagation of offshore fishery resources and the development of clean fishery show great promise. In the future, if the leadership and the masses make concerted efforts to strengthen the weak links, we will overcome the difficulties in fishery, and it is possible to overfulfill the targets laid down in the Seventh 5-Year Plan.

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CSO: 4007/94

## MINISTER STRESSES REVAMPING IRRIGATION WORKS

OW091430 Beijing XINHUA Domestic Service in Chinese 1553 GMT 8 Nov 85

[Article by reporter Cui Lisha]

[Text] Beijing, 8 Nov (XINHUA)--Irrigation facilities in quite a few localities could not be effectively utilized for controlling flood and drought this year, which inflicted losses on the country and the people's property, said Minister of Water Resources and Electric Power Qian Zhengying today. She called on all localities to earnestly review the experience and seize the opportune moment to revamp and reinforce water conservancy facilities during the slack season in farming between this winter and next spring.

Qian Zhengying made the above remarks at a national telephone mobilization meeting on revamping irrigation works in the coming winter and spring. She pointed out that it is an age-old good Chinese tradition to revamp and build water conservancy works during the slack season in farming between winter and spring. In recent years, however, a few localities have slackened in their efforts at farmland capital construction. Erroneously believing that the irrigation facilities were up to standard, or even that water conservancy works were not needed for agricultural development, these localities neglected the maintenance, repair, and management of the existing facilities, some of which have been seriously damaged by nature or man after 20 to 30 years in use. Consequently the engineering efficiency of the water conservancy facilities has declined. Therefore, she put forward the following opinions for the work or revamping irrigation facilities this winter and spring:

First, it is necessary to achieve unity in thinking and understanding, and correctly understand the importance of farmland capital construction. She said: We have been able to achieve a steady increase in agricultural production over the past few years because of the improved agricultural production conditions since the founding of the country, aside from the implementation of the party's relevant policies and institution of the agricultural production responsibility system in rural areas. Thanks to the rural reforms, which have greatly fired the enthusiasm of the broad masses of peasants, the production conditions have been effectively utilized, thereby considerably raising productivity. To ensure the steady increase in agricultural production, it is necessary to maintain the good production conditions. We should by no means underestimate the possibility of flood and drought because of favorable weather for successive years.

Second, it is necessary to concentrate the efforts at revamping and reinforcing the existing irrigation facilities in the coming winter and spring. If no efforts are made to revamp, reinforce, or rebuild the existing irrigation works, seriously damaged by nature of man and silting up, we shall not be able to continue to effectively use these facilities. Therefore, all localities must inspect and revamp water conservancy works used by each locality in the coming winter and spring, map out plans for revamping them in order of importance and urgency, and act in good time.

Third, it is necessary to place engineering efficiency and quality above anything else, guarding against formalism and overemphasis of the number of workers involved and the volume of work completed. It is also necessary to implement various contracted responsibility systems by signing contracts to ensure that the revamping work for each facility is thoroughly done and benefits the peasants.

At the meeting, Yang Zhenhuai, vice minister of water resources and electric power, read a "Circular Concerning Revamping Water Conservancy Facilities During the Coming Winter and Spring," jointly issued by the Rural Policy Research Center under the Secretariat of the CPC Central Committee and the Ministry of Water Resources and Electric Power. Water conservancy departments from Jiangsu, Hunan, Shaanxi, and Jilin reported on the plans and actions for revamping the irrigation works in their respective provinces this winter and spring.

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## CHINESE INTENSIVE FARMING TECHNIQUES DISCUSSED

Tianjin KEXUEXUE YU KEXUE JISHU GUANLI [SCIENTIOLOGY AND MANAGEMENT OF SCIENCE AND TECHNOLOGY] in Chinese No 8, 13 Aug 85 pp 8-10

[Article by Zhu Mingkuan [2612 2494 1401] and Wang Xulang [3769 4872 6745], South Central China Agricultural Academy: "Discussion of Chinese System of Intensive Farming Techniques"]

[Excerpts] What road the modernization of China's agricultural techniques should take and what kinds of technical models should be established to meet the challenge of the new technological revolution in the world are extremely important strategic matters. This article aims to discuss the issue of establishing a Chinese system of intensive farming techniques from both a theoretical and practical standpoint so as to enable an exploration of both.

### III. Establishment of a Chinese System of Intensive Farming Techniques

Faced with the challenge of a new technological revolution, modernization of China's farming techniques cannot simply repeat the old road that other countries have taken and mechanically copy their patterns. It has to proceed from Chinese realities.

What are the "realities" that modernization of China's agricultural techniques faces? First is a population of 1 billion, 800 million of which are peasants, 300 million constituting the peasant workforce. Second is a small amount of cultivated land and inadequate resources per capita. China's farming, forestry and animal husbandry areas amount to 6.65 billion mu, an average 6.6 mu per capita, which is 20 percent of the world per capita average of 33 mu. Third is a vast area in which natural conditions and farm crops are complex and the level the development uneven. Fourth is a low rate of labor productivity and a low commodity production rate. Statistics show an annual output of only slightly more than 2,000 jin per member of the agricultural labor force in China, only enough to support three people (including the member of the workforce), and a commodity rate for grain of approximately 15 percent. Fifth is a fragile agricultural economy in which peasant earnings are still fairly low. Despite the substantial growth in peasant income of recent years, the foundation of the agricultural economy is still relatively poor. Statistics show that in 1982, production brigades with earnings of more than 100 yuan

numbered 57.2 percent, those with earnings of less than 50 yuan numbered 10.1 percent, and hardship counties numbered 3 percent (with a per-capita income averaging less than 50 yuan). Sixth, the foundation of traditional agricultural skills is fairly good, but the peasants' foundation for modern scientific and educational skills is relatively weak and technical standards are uneven. Statistics show that approximately 30 percent of peasants are illiterate or semi-illiterate while 40 percent have a primary school education. They commonly lack knowledge of modern agricultural science and technology.

In view of the features of modern intensive farming techniques, a look ahead at the trends of their development plus the realities of China's agriculture causes this writer to conclude that China has to establish a Chinese system of intensive farming techniques. The main features of this system would be as follows:

First, a combination of intensive labor techniques, capital techniques and knowledge techniques, with the establishment of a multi-level system of intensive techniques.

Modern intensive farming techniques have already developed to a certain extent in China; however, they have not become widespread. Those that have been promoted have produced very limited economic results because of the limitations of the scientific and general educational level of the peasant workers and the lack of scientific management. Knowledge-intensive farming techniques have been studied only in certain scientific research units and agricultural institutions of higher learning, with development beginning in some areas and regions. What currently exists in most of China's farflung rural villages is still a system of traditional labor-intensive agricultural techniques, while techniques used on grasslands, in mountain forests, and on water surfaces remain non-intensive.

The uneven development of China's natural conditions, its economy, and its general education and science have brought about uneven development of farming techniques. The unevenness in technical development has made inevitable the coexistence of three forms of intensive techniques at the present stage and for some time to come. However, coexistence by no means refers to a lineup on an equal footing, but rather the use of labor-intensive and capital-intensive techniques as a foundation followed by criticism and continuation that goes along the ladder of development from the common to the improved, thereby going in the direction of knowledge-intensive techniques.

Second is a combination of traditional farming techniques and modern farming techniques with modern science as the basis for setting up a technically, economically, and ecologically coordinated and integrated system of intensive farming techniques.

Traditional farming techniques grew out of China's special natural and economic conditions, and they developed steadily over a long period of time on the basis of practical experience in agricultural production. They are a distillation of the fine tradition of meticulous and painstaking farming and an accumulation of experiences with organic farming techniques, which have

formed a system of farming techniques with an ecological minicycle that has a fairly strong vitality and a fairly strong adaptability on China's soil. These techniques were formed, however under conditions of an economy of self-sufficiency that lacked a scientific foundation and in which labor productivity, soil productivity, the commodity production rate and the ability to use converted animal and plant energy was relatively low.

As was said earlier, modern agricultural technology is remarkably advanced; yet there exists a neglect of ecological benefits that easily brings about a regression in soil fertility, ecological deterioration, and environmental pollution.

The system of farming techniques that China is building now must adopt the advantages of the two techniques and leave behind the shortcomings of the two techniques. By transforming traditional farming techniques, and by using modern scientific and technical and industrial equipment, it must maintain the fine tradition of meticulous and painstaking farming, perpetuating rich experiences gained with organic farming techniques, and transfer the mini-ecocycle into a large ecocycle. While making the most of modern farming techniques to raise the agricultural labor productivity rate, the soil utilization rate, the commodity production rate, and the ability to convert plants and animals to energy, attention should be given ecological benefits so that they are both advanced and adaptable, thereby founding a uniquely Chinese system of intensive farming techniques in which techniques, the ecology, and the economy are coordinated and integrated.

Third is the interrelationship of machine techniques, physical techniques, chemical techniques, biological techniques and managerial techniques to establish a comprehensive system of intensive farming techniques in which all techniques are closely matched.

Machine techniques, physical techniques and chemical techniques already have a certain foundation in China except in economically and culturally backward border regions. In areas in which natural conditions are fairly good and the economy and culture are fairly advanced, application of these techniques has reached a fairly high level. However, commonly existing problems include mediocre managerial techniques and a lack of integration of the various techniques. As a result, economic results from these techniques have yet to reach their potential. Were the principles of systems engineering to be used to set up an overall technical system in which all techniques were integrated, at the existing technical level it would be possible to use a relatively small amount of investment to get fairly large financial results.

Comprehensive technical systems in which all technical systems are integrated have three levels. One is the technical integration of the overall farming system including technical coordination among farming, forestry, animal husbandry, sideline occupations, and fisheries. This has the mutual promotion of all industries within agriculture as its goal in order to resolve conflicts among individual industries. Second is the farming system's technical integration, including the technical coordination of each kind of farming organism in the total reproduction period. Third is technical integration of various production links such as sowing, transplanting and harvesting

requiring the coordination of farm machines and farm technology. Overall coordination is required for physical measures, chemical measures, biological measures and farming measures in the process of prevention and control of diseases and insect pests, and integration of techniques is required for the development of blended feeds for livestock and poultry, for the blending of livestock feeds, for the processing of livestock feeds, for feeding and for prevention and control of diseases.

Instituting an integrated technical system calls for adapting measures to local natural resources and economic and educational levels. The technically integrated overall technical system is not immutable for all time. As the level of science and technology rises and the economy and education develop, the intellectual component of the system, as well as its overall capabilities, will steadily improve.

In summary, a Chinese-style intensive agro-technical system proceeds from China's realities. It combines labor-intensive, capital-intensive and knowledge-intensive techniques to establish a multi-level intensive technical system. It combines traditional farming techniques and modern farming techniques in the establishment of a technical system in which techniques, the economy, and the ecology are coordinated. It combines machine techniques, physical techniques, chemical techniques, biological techniques, and managerial techniques in developing an overall technical system in which all techniques are integrated.

9432

CSO: 4007/17

# OUTPUT-RELATED RESPONSIBILITY SYSTEM EXPLAINED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese  
No 7, 23 Jul 85 p 3

[Article by Du Runsheng [2629 3387 3932]: "The Output-Related System of Contracted Responsibility and China's Path for Developing Socialist Agriculture"]

[Text] The output-related system of contracted responsibility is a dual-management system within the cooperative economy which integrates "uniformity" and "separateness." Under such dual management family contract work becomes a management level within the cooperative economy; it still carries with it some vestige of the private economy of peasant laborers because here the peasant household shoulders the responsibility for its own gains and/or losses, is engaged in family labor on a small scale, and constitutes an independent commodity producer; thus, except for land, it may take private possession of all other means of production. However, family management is subject to constraints by the cooperative economy; thus it differs essentially from individual undertakings by the peasants themselves of earlier days.

After such individual family management is put into practice, the cooperative economy is left with the following functions: First, it plays the role of social regulation so as to avoid the blindness and uncontrolled spontaneity of management by separate families. Second, it provides each peasant household with various social services before, during and after production. This is an important way by which the cooperative economy asserts guidance over the separate family management undertakings and also the basis on which the existence and development of family management depends after the social division of labor becomes increasingly refined. Third, as the representative of society it deducts certain funds for common use, accrues common accumulation, resorts to certain common projects of basic construction, expands the realms and scale of production, extends the social division of labor in production, etc. In the past, people resorted to what was "larger in size and higher in the degree of public ownership" and did away with the level of family management; this was a premature, unwise choice. Today, our approach is to allow peasant households to undertake separately things which can be handled by individual families and to manage in common things which require common undertaking. With uniformity and separateness thus complementing each other, they both stand out in playing their respective roles. Such an approach accords with reality and mobilizes all positive

factors on the one hand, and is prepared to establish even more perfect forms of socialist management on the other. It combines organically the uniform management of the collectives with the separate management of the families, thus discarding the narrowness of small private ownership and leaving room for future development through science and technology on the one hand and preserving the strong points of family management and enriching the content of the cooperative economy on the other.

The enrichment and development of the Marxist theory of cooperative systems by the output-related contract responsibility system lies in its simultaneous linking and distinguishing of ownership and management authority. In the past, we merely sought to stress the inseparability of the two and to stress uniform management and centralized control, uniform assignment of labor and distribution of revenue from labor, but we failed to establish for our laborers the concept of the close connection between public ownership and their own interests. This made it hard for them to cast off their sense of being hired hands "farming for the public." Inevitably, this led to the emergence of the negative phenomenon of everybody "eating from the common pot." Today, we have found a transitional form befitting current economic conditions in the countryside which, through the output-related contract responsibility system, distinguishes ownership from management authority without changing the collective ownership of land and other means of production, while at the same time protecting the laborers' right to independent management. This has stimulated the positive initiative and sense of responsibility on the part of laborers in the economic structure under public ownership and thereby facilitated a flexible and versatile grouping of the various elements of production. The development and perfection of the output-related contract responsibility system are of very great significance to the building of our socialist agriculture with Chinese characteristics.

Looking at conditions abroad, we can see that some agriculturally developed countries consist predominantly of family farms that rely on the labor of family members, possess a set of modern farming instruments, and cultivate anywhere from several hundred to three or four thousand mu of land. The economic results of these family farms are in certain aspects no less than those of large farms managed by hired workers. From the standpoint of society as a whole, the scale of management has been expanded but the number of hired workers did not increase. Thus it appears that there is no better form of management suited to agricultural production than such family management. Judging from foreign experience of the past 50 years, it is possible for family management to succeed in expanding cultivation acreage without having to hire more workers by making use of scientific and technical advances. The new technological revolution and efforts to make agricultural production scientific and engineering-like which are being widely discussed right now thus provide beneficial conditions for the decentralized management of China's agriculture; they will open up a brand new situation which is as yet hard to predict. There will be a great future for family management to carry out specialization in agriculture, plus the application of microelectronic computers and genetic engineering. We can foresee that, with such a new technological revolution, the possibility that family management will play a central role in China's cooperative economy in long-range terms is becoming increasingly great.

RENMIN RIBAO REPORTS PEASANTS' INCOME INCREASES

OW011252 Beijing XINHUA in English 0630 GMT 1 Dec 85

[Text] Beijing, 1 Dec (XINHUA)--Serious natural disasters in China this year have affected grain production but not the income of the peasants, the "People's Daily" reports today.

A sample survey of 62,000 peasant households in 28 provinces, municipalities and autonomous regions shows that the cash income of Chinese peasants per capita was 241.2 yuan from January to September, 35.4 percent more than the same period of last year.

The major grain producing areas in Northeast China were hit by serious floods while Southern China's Sichuan, Hunan, Hubei and other grain producing areas suffered serious drought. Grain output this year is expected to drop.

Peasants' bigger income mainly derived from the sales of more cash crops, vegetables, fruit and sideline produce, which registered big increases as a result of adjusting the agricultural structure as part of the second step of rural reforms.

With the development of agricultural production, more and more surplus labor has moved to construction, transportation, services, commerce and catering trades.

The survey shows that the peasants' income from the construction and service trades exceeded 45 yuan per capita.

Another source of income is the rural industries.

The increase in the prices of farm and sideline produce also led to a bigger income for peasants.

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# CHANGES IN PEASANT INCOME STRUCTURE ANALYZED

Beijing NONGMIN RIBAO in Chinese 7 Sep 85 p 2

[Article by Zhang Xiaoming [1728 2556 7686]: "Peasant Income Undergoes Transformation in First Half of the Year; Sample Survey of 27 Provinces, Autonomous Regions, and Municipalities Shows Income Growth in Secondary and Tertiary Industries Outstripping That of Primary Industries, Investment in Production Increasing, and Volume of Peasant Demand This Autumn Expanding"]

[Text] In the first half of this year, there were fairly substantial changes in peasant income and expenditures, and income growth in the secondary and tertiary industries has surpassed that of the primary industries. There have also been striking increases in cash income and income from borrowing and lending, and significant growth in peasant investment in production.

According to an analysis of sample survey data on 57,358 peasant households in 27 provinces, autonomous regions and municipalities directly under the central government which was supplied by the chief rural sample survey brigade of the State Statistical Bureau, in the first half of this year, peasant income and expenditures showed the following trends:

1. There were changes in the structure of cash income. In the first half of the year, the per-capita cash income for rural households reached 154 yuan, a 42.9-percent increase over the same period last year. Because of adjustments in industrial structure, peasant incomes from secondary and tertiary industries increased 74.1 percent and 62.3 percent, respectively, over the same period last year, which was much higher than income growth obtained in agriculture and sideline occupations. And the proportion of peasant income obtained from the secondary and tertiary sectors has reached 9.2 percent and 24.4 percent, respectively. Of the cash-earning items that peasants obtain from collective management, those obtained directly from township enterprises are the greatest, having increased 54.4 percent over the same period last year.

2. There is still growth in the amount of loans from banks and credit cooperatives. In the first half of the year, borrowing by peasant households increased 40.4 percent over the same period last year, and of this, the amount of loans borrowed from banks and credit cooperatives increased 32.2 percent; most lending occurred during the first quarter.

3. There has been a considerable increase in investments in production. In the first half of the year, cash expenditures used in production increased 46.6 percent over last year.

According to statistics, by the end of June, the cash in hand and bank deposits of peasants averaged 46.25 yuan, a 27.2-percent increase over the same period last year. Pertinent departments estimate that there will be a great increase in peasant demand on rural markets in the second half of the year, so they have proposed that each department actively organize sources of goods to prepare for the peasants' increasing seasonal market demands and to promote the early withdrawal of currency from circulation. In addition, we should correct the erroneous tendencies in certain areas of "lending to the rich and not the poor" and "lending to workers and not to peasants," and must provide credit support for remote mountain regions and poor households.

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CSO: 4007/462

STATE BANS UNAUTHORIZED TOBACCO PRODUCTION

OW110047 Beijing XINHUA Domestic Service in Chinese 1140 GMT 10 Nov 85

/Article by reporter Wu Shishen/

/Text/ Beijing, 10 Nov (XINHUA)--A national meeting on tobacco monopoly work closed today. Ma Erchi, deputy director of the State Tobacco Monopoly Bureau, pointed out at the meeting that tobacco and its products must be strictly controlled and managed in accordance with the "Tobacco Monopoly Regulations" and must not be produced blindly nor traded freely.

Ma Erchi said: During the last 2 years, our country has made certain achievements in tobacco monopoly work. According to initial statistics, we have issued more than 2 million tobacco permits, and investigated and handled more than 120,000 regulation violation cases, thus protecting the interests of the state and the consumers. However, tobacco factories not included in the state plan have not yet been completely closed down, the tobacco market is disordered, and there is quite a serious problem of handmade, counterfeit, and black market cigarettes. We must not regard such a situation as unimportant.

Ma Erchi emphasized: All localities should continue to close down without exception tobacco factories that are not included in the state plan. No organizations or departments are permitted to supply raw materials, equipment, and other necessities to those factories. All of those factories' products in the market should be invariably confiscated. He said: We should further improve the tobacco market and treat the banning of counterfeit cigarettes and black market cigarettes as a priority of market management. Tobacco factories are not permitted to deal directly in wholesale, nor are units without a license. Violators are liable to economic and legal penalties. Counterfeit cigarettes will be invariably confiscated. Violators of the trademark law will be punished according to law by the industrial and commercial administrative department and the judicial organs. Ma Erchi urged the industry and commerce, price control, tax, public security, railway, and post and telecommunications departments to work in close coordination, make comprehensive efforts to ensure tobacco monopoly, and effectively protect the interests of the state and the consumers.

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CSO: 4007/94

SCIENTIST EXHORTS EXPANSION OF GLANDLESS COTTON

HK200451 Beijing CHINA DAILY in English 20 Nov 85 p 5

[Article by Qian Shaochang]

[Text] Shanghai--A visit to the home of Professor Huang Fulin, teacher of biology at the East China Normal University, can include an appetizing array of refreshments: cream cake, lemon curd, butter cookies and chocolate toffees.

Only a dieter would turn the offer down--and wrongly. They contain no cholesterol, being made from cottonseeds. The delicacies are unexpectedly tasty, and not at all oily.

"They are not made from ordinary cottonseeds, but from non-toxic ones," Huang explained. Ordinary cotton contains poisonous phenolic compounds in tiny glands distributed throughout the plant, including its bolls, leaves, seeds, stem and roots.

"The cottonseed oil has to undergo elaborate treatment before it can be eaten, and the cottonseed cake that remains after oil extraction is ordinarily used as manure. It's a big waste, because the cake is rich in protein," said the professor.

In the 1950s, an American scientist discovered a variety of cotton plant without the glands. Further studies revealed the glandless plant did not contain phenols and was therefore nontoxic. It was only after years of breeding and selection that he finally succeeded in obtaining a pure strain of glandless cotton plant, and planting started in the 1960s.

China's study of glandless cotton began in the early 1960s, Huang said. Researchers at Henan-based Cotton Institute of the Chinese Academy of Agricultural Sciences, the Henan Academy of Agricultural Sciences and the Hunan Cotton and Flax Institute were the first to breed new varieties. They were followed by scientists in Jiangsu, Dandong, Liaoning and elsewhere.

To date, 11 stable new varieties of glandless cotton suitable for planting under various ecological conditions in China have been developed. More than 10 provinces are now cultivating glandless cotton, though still on a relatively small scale.

Professor Huang Fulin, who has done extensive work on its use, is anxious that planting of glandless cotton be expanded.

"Of China's 6 million hectares of cotton fields, only 2,000 hectares are planted with glandless cotton," said his assistant Qu Weijing.

"Farmers do not understand the advantages of glandless cotton, and the government has not taken enough measures to encourage its cultivation," Huang said.

The fibres of glandless cotton are stronger though slightly shorter than those of ordinary cotton, and provide excellent material for corduroy and some blend fabrics. But at present the length of cotton fibre is the main criterion in cotton price.

Using glandless cottonseed to produce oil, the complicated detoxification process can be dispensed with, greatly reducing its cost. Cottonseed contains more oil than soybean, and in particular is rich in linoleic acid and vitamin E. The former is an unsaturated fatty acid that can lower the level of blood cholesterol, and is therefore an important remedy in the prevention and treatment of hardening of the arteries and coronary heart disease, while vitamin E is currently considered to be an anti-aging agent.

"So, instead of raising your blood cholesterol, the cottonseed refreshments will help lower it," Huang said.

As cottonseed is 38 to 52 percent protein, the highest level of all crop seeds, it is a major potential source of protein. It has all the eight essential amino acids needed by man. The glandless cottonseed cake can serve as a nutritious additive to bread, cakes, biscuits and other foods. "In a developing country like China, this is of great significance," Huang said.

In many areas of the country, good results have been obtained by feeding pigs and fowl with fodder made from the shell of cotton bolls, cotton leaves and stems, which are 5 to 16 percent protein.

"The powder of the glandless cotton stem is an excellent culture medium for growing high-quality mushrooms," said Huang.

Hundreds of Chinese researchers are now working on glandless cotton, trying to breed new varieties and seeking to find better ways of planting and make greater use of it.

"But what is urgently needed is the quick expansion of glandless cotton fields. In my opinion, this depends mainly on government policies," Huang said.

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## OVERVIEW OF LIVESTOCK INDUSTRY

Nanjing XUMU YU SHOUYI [ANIMAL HUSBANDRY AND VETERINARY MEDICINE] in Chinese No 4, 20 Aug 85 pp 145-146

[Article by An Min [1344 3046], Director, Beijing Agricultural University from a report made at Nanjing Agricultural University on 30 January 1985: "Develop the Country's Animal Husbandry To Raise Living Standards"]

[Text] China's animal husbandry is currently facing an unprecedentedly fine situation. This year's Central Committee Document No 1 illustrated the serious attention given animal husbandry such as has not taken place throughout history. Formerly many people regarded agriculture solely as farming. They narrowly presumed that agriculture meant growing grain and did not regard animal husbandry as an integral part of agriculture, with the result that agriculture developed very slowly. The proportion of animal husbandry in China's gross output value from agriculture reflects the backwardness of our agricultural make-up. In a country in which agriculture has developed normally, animal husbandry accounts for 50 percent or more (as shown in the following table).

Percentage of Agricultural Output Value Deriving from Animal Husbandry in Different Countries

FRG	UK	Canada	U.S.	GDR	France	USSR	Japan	India	China
74%	77%	70%	60%	60%	57%	50%	31%	18%	14%

In his speech to the 2nd Session of the Academic Commission of the Chinese Academy of Agricultural Sciences, Comrade Qian Xuesen [6929 1331 2773] put forward the novel idea that in the future what we will face will be a knowledge-intensive industrial revolution in agriculture. The agricultural knowledge-intensive industry method will be to use the most advanced and profound basic sciences in the service of agriculture. It will be necessary to found a comprehensive science and agriculture university to train specialists for the new agricultural industry. This is a new concept transferred from science and engineering to science and agriculture. This is the only way in which to make fullest use of existing resources in nature to serve the needs of mankind. Serious attention to agriculture today in China requires vigorous efforts to develop animal husbandry. The development of animal husbandry is

not solely for the purpose of multiplying output value, but rather to improve living standards and strengthen the people's physical constitution.

Living standards are reflected in people's diet, so it is necessary to make major increase in livestock products. Surveys show that per-capita income and consumption of livestock products are closely related. If the proportion of livestock products is not high, living standards cannot be raised. For this reason, China wants to raise the percentage of animal husbandry in agriculture to 30 percent by the year 2000, thereby substantially increasing the people's consumption of livestock products.

China is rather rich in animal husbandry resources, though they have not been used very well. The number of hogs in inventory throughout the country is nearly 300 million, or one-third the world's total number of hogs; yet the pork that these 300 million hogs produce, particularly lean pork, is equivalent only to the amount that 50 to 60 million hogs produce in the United States. This means that China has a low rate of removal of hogs from inventory and a low lean pork rate. China has to raise five hogs in order to produce the lean pork that an American produces from a single hog. Not only is it necessary to raise the lean pork rate in raising hogs, but it is also necessary to maintain the uniquely fine qualities of Chinese hogs, i.e., their fine taste and their high fecundity rate.

China has more than 90 million head of oxen, water buffaloes, milk cows and yaks, oxen numbering 58 million, water buffaloes nearly 20 million, milk cows approximately 950,000 and yaks 12 million. The production performance of oxen and the quality of their meat could be raised by improving feeding and care and using scientific rearing methods. For example, beef cattle experiments conducted on Qinquan cattle by Professor Qiu Huai [6726 2037] proved that Qinquan cattle grow fast, mature early and have good quality meat that is the equal of the finest breeds of beef cattle in the world. In addition, frozen sperm from bulls of high-yielding milk cattle could be used in phased hybridization to breed milk cattle from oxen. Alternatively, embryo transplants could be used to make oxen give birth to milk cows. Water buffaloes can also be used to produce milk. One superior-breed buffalo cow can produce 2,000 kilograms of milk per year with high butterfat. Some water buffalo are on record as having produced 4,000 kilograms of milk per year. For China to attain the world level in average per-capita amount of milk production would require having 20 million cows producing 5,000 kilograms of milk annually per cow. Today, however, China has fewer than 1 million milk cows. The current importation of live cattle does not work out too well. If superior quality frozen semen or high quality frozen embryos could be used, development of milk cow endeavors could be hastened and improved.

Yaks are a natural resource with which China has been richly endowed, having 85 percent of the world's total. Yak meat, has been very well received in international markets and it rivals venison. Its protein and amino acid content is ideal; yet we can take very few products from it because it is impossible, given the backward feeding conditions, to make full use of its production capabilities. Were scientific methods used to feed yaks, their quality could be further improved.

There is considerable potential for the development of cattle because they do not compete with man for food, and are able to make use of various kinds of agricultural and sideline products such as residues from beans, stalks and stems, hay, fresh grass, silage, various kinds of bagasse and dregs from the fermentation of wine.

China holds first place in the world in numbers of goats, the number amounting to more than 80 million, and sheep numbering more than 100 million, which is second to Australia with 130 million. One-third of the sheep have been improved through fine haired sheep. China ranks first in the world in output of goat hair, which is a high quality animal fiber that is very well received in international markets. Milk goats could be developed in many parts of China. Goat milk is a raw material for making the world's finest cheeses, and is a milk product with fairly high cash value. But we regard it as the cheapest milk product and some people even used it to feed pigs. This is a real pity. Were we able to use it to make cheeses to supply international markets and visiting tourists, we could create substantial economic benefits.

Rabbit meat has also been very well received in international markets. China's rabbit meat has affected the meat supply in European markets. Eighty percent of all the rabbit meat in international trade is supplied by the Chinese. Rabbit meat has very high nutritional value and major efforts should be made to produce it. However, development of China's rabbit raising industry has been virtually totally dependent in the past on foreign trade arrangements, and peasant household rabbit raising has risen and fallen. Rabbit fur is a raw material for high grade woolen knitwear. Henceforth, China should have its own processing industry and should not simply export raw material.

In addition, China has many other breeds of livestock that have not been well used such as miniature horses from Sichuan and Guizhou that stand only 70 to 80 cm. Were it possible to stabilize their miniature traits through breeding, they would become animals of very great economic value to be enjoyed and for use in experiments. They would be well received in children's amusement parks and zoos everywhere.

China's dromedary camels, particularly the white camels, are a rare and valuable animal breed that are very well received by the tourist industry and zoos. They and their hair have fairly high economic value.

Geese are raised in China from Hainan Island in the south to Hallaer in the north. Fat goose liver is a food that commands fairly high prices in international markets. On the advice of the State Science and Technology Commission, we conducted experiments in the production of fat goose liver, producing fat goose livers weighing 2.6 kg each. Now China is in the process of building a system to produce fat goose liver to develop this industry.

In summary, the motherland has abundant animal husbandry resources and potential for their development is very great. We must further develop these resources to raise the standard of living.

China also has abundant fodder resources with many grassy mountains and grassy slopes suitable for raising livestock. These have not been fully utilized, however, and in south China in particular, fewer than one-third of the grassy mountains and grassy slopes are currently being used. China's pastoral region and semi-pastoral region grassland area is approximately 3.3 billion mu. Though it is used year after year for livestock, it has not been given the care and improvement it requires, and it awaits further exploitation.

By the year 2000 we will be using one-third of our grain for fodder, plus a large amount of dregs remaining after squeezing oil such as cotton seed cake, rapeseed cake, sunflower seed cake, and bean cake, which can be used to make blended feeds. In addition, we urgently need to build a livestock feed industry and use blended feeds for scientific feeding to make full use of the various superior breeds of cattle that have been imported since liberation and strive to develop China's animal husbandry enterprises.

There are just over 10 years between now and the year 2000. We must strive to work and struggle to realize our goal!

9432

CSO: 4007/24

## WAYS TO IMPROVE LIVESTOCK INDUSTRY GROWTH EXAMINED

Beijing RENMINRIBAO IN Chinese 12 Sep 85 p 5

[Article by He Kaiyin [0735 7030 5593] of the Anhui Provincial People's Government Agricultural Science and Technology Leadership Group Offices: "We Cannot Rely Solely on 'Grain Conversion' To Develop the Livestock Industry"]

[Text] [Abstract] "Grain conversion" refers to two things: on the one hand, it means processing raw grain and developing the food industry; on the other hand, it means using grain as feed for livestock and poultry and converting it to meat, milk, poultry and eggs. Although food processing may improve the economic return from grain production, it cannot increase grain consumption to any extent; feeding grain to livestock and poultry is neither scientific nor does it solve the problem of "grain-selling difficulties." We should rely on various fodders and forage grasses to develop the livestock industry; this would bring a much better return than directly utilizing grain--farm crop seed--as feed.

# I. Origin of the Phrase "Grain Conversion"

Grain production expanded swiftly and dramatically following the 3d Plenum of the 11th CPC Central Committee. Grain per capita was nearly 900 jin in Anhui Province in 1984, and since the export, processing, and transport and sales industries were not equipped to handle this, many areas experienced "grain-selling difficulties," and low-grade surpluses appeared. This problem was so widespread throughout the country that it dampened the enthusiasm of some of the grain farmers. Simultaneously, there were inadequate supplies of livestock products such as milk, meat, poultry and eggs on the market. According to worldwide population averages, there is 63.1 jin of meat, 12.8 jin of eggs and 209.7 jin of milk per capita per year; but in Anhui Province there is only 20.7 jin of meat per capita per year, which is less than one-tenth the amount per capita in the United States, 6.13 jin of eggs, which is less than one-fifth the per capita amount in the United States, and 0.49 jin of milk, which does not equal even one-six-hundredth the per capita amount in the United States. When people eat their fill they always wish they could eat a little better, so there is a great and pressing demand on the market for milk, meat, poultry and eggs. Thus, it is quite natural for people to

think of feeding grain surpluses to domestic livestock and poultry to convert the surplus grain which they cannot eat into animal foodstuffs such as milk, meat, poultry and eggs to improve their livelihood, increase nutrition and promote physical health. Accordingly, some leaders proposed the slogan "grain conversion."

## II. The "Grain Conversion" Approach Will Not Work

There are two meanings for so-called "grain conversion." One is that it refers to processing raw grain, from coarse processing to final processing, which also develops the foodstuff industry; another meaning is that it refers to using surplus grain as feed and developing the compound feed industry, which also develops the livestock industry. But neither of these approaches, the foodstuff industry or the feed industry or both simultaneously, have made breakthrough advances, and they have yet to be able to completely solve the problem of "grain-selling difficulties." Is this because the leadership did not pay enough attention to the problem? No. Is it because the broad masses were unwilling to get involved? This is not the case either. The problem lies in market demand; as foodstuffs and fodder become more plentiful, neither can be completely sold off. So what can be done?

The cause is obvious: There are conditions to the people's demand for an improved standard of living; the degree of improvement must correspond to their income level. All households must keep expenditures within the limits of their income, and they must allow for unforeseen circumstances by building up a slight surplus as well. In the area north of the Huai He the situation all through the past was "sweet potatoes are our cereal and bread--we cannot live without them." The people there now have flour and rice for three meals a day; having husked rice, porridge and steamed bread made from wheat flour is a big change. Since the average income in Anhui Province in 1983 was only 304 yuan, people did well to be able to eat high-quality polished rice and white flour; if the income were raised further, they would be able to consume cow's milk, bread, cake, meat, poultry and eggs, but where is the money to come from? It is not that the people willingly forego eating these things; rather, they cannot afford them. So any fructose, lysine, histone, multiple nutrient foods, various kinds of fruits and meat tins are merely for show. Therefore, the food industry cannot develop much in the direction of high-grade products for the time being; perhaps we could refer to this as "setting production according to sales!" Furthermore, even if our consumption level were high, it is a pity that our bellies would be only so large, for the better we ate, the smaller our appetite would be. In essence, except for increasing output value and income, and raising the economic return from grain production, food processing cannot increase grain consumption to any extent. Grain processing only changes the form of the unprocessed grain, from a surplus of unprocessed grain to an oversupply of highly processed foods. From a macroscopic view of the province and the nation as a whole, food processing is of little significance in solving the problem of "grain-selling difficulties."

Development of the livestock-raising industry is really a major channel for energy conversion and materials circulation. The heart of the problem lies in results. Ecologically speaking, all of the earth's energy, in the final

analysis, comes from the sun; green plants draw sustenance from the functioning of chloroplasts, which utilize the energy in sunlight to synthesize organic material from carbon dioxide and water by converting radiant energy of the sun into latent chemical energy in organic matter; this is called primary or basic production. Animals cannot utilize the sun's radiant energy directly; they must eat green plants and, through metabolism, digestion and absorption, convert plant energy into the animal energy in livestock products. Ninety percent of the original energy in green plants is used up in this conversion process, and the amount of energy fixed through conversion to animal products amounts to only about 10 percent of the original energy. Therefore, it is very uneconomical to convert the sun's energy fixed in plants into energy in animal products. The reason animal production is important is precisely as Engels has said: accumulating energy through labor actually can only be accomplished in the plant-growing industry; in the livestock industry, generally speaking, the energy accumulated in plants is merely transferred to animals. The reason accumulated energy is mentioned here is only because if there were no livestock industry, forage grass plants may as well wither since they would be useless, but they become useful in the livestock industry. Conversely, the industrial sector only consumes energy. We value the livestock industry and the reason we refer to production of plant-eating animals and carnivorous animals as secondary and tertiary production, respectively, is precisely because animals can utilize straw, stems, leaves and other parts of plants which man cannot consume as food; those things which man can only use as fuel or discard become useful when converted into milk, meat, poultry, eggs and other highly nutritious products to improve and enrich people's lives. Our purpose in planting cereal grain crops is to obtain grain seeds from such crops as paddy rice, wheat, corn and soybeans which can be directly consumed by people as food, which is referred to as "economic yield;" although converting grain to animal products improves the quality, there is a 90-percent loss of energy. Since cereal grains still are not all that abundant today, why do we not directly utilize the full amount of energy and matter in grain crops rather than utilizing 10 percent of the energy and only a portion of the matter? The essence of developing the livestock industry is to utilize the large amount of organic matter which man cannot consume directly (a little cereal grain could be thrown in), but this is by no means engaging in "grain conversion" alone. This is quite apparent in terms of economic results. The major component of feed is corn, whose price on the current market is 0.18 yuan per jin. Based on the present feeding standard in which 4 jin of grain is converted into 1 jin of pork on the hoof, 4 jin of corn costs 0.72 yuan, while the state purchase price for Class I hogs is only 0.693 yuan per jin; when one adds to this the consumption of a considerable amount of fine and coarse feeds, plus labor, hog raising is a losing proposition. Who would be willing to engage in something so stupid?

A farmers' saying goes like this: "If one does not make money raising hogs, just look at the fields." From ancient times to the present, China's peasants have customarily raised hogs; Anhui Province now raises no fewer than 10 million head of hogs per year. This is because there are 10 million households and each family has some farm byproducts which man cannot consume directly as food, such as chaff, bran, water which has been used for washing rice or cleaning pots, leftovers, sweet potato vines, Chinese cabbage leaves,

radish leaves and stalks of farm crops; if these things are not used for raising hogs, they are wasted. All these "waste materials" become useful when each family raises a hog, and mixing in a little processed feed results in valuable livestock products as well as high-quality organic fertilizer; this adds to soil fertility, which in turn promotes increased grain yields. Such comprehensive benefit makes it even more worthwhile for each family to raise one or two hogs. Once the peasants begin to utilize all these farm byproducts which man cannot consume directly, and then you appeal to them to raise hogs through "grain conversion," none would be willing to do it. Practice proves that developing the livestock industry through "grain conversion" is not a viable course of action.

### III. The Correct Way To Develop the Livestock Industry

If "grain conversion" is not a viable approach, then what should we do? The Anhui provincial party secretary, Huang Huang [7806 3874], has said we should carry out grain conversion work prior to planting. This can be expressed in a phrase. Through thoroughgoing, meticulous investigation and research, Huang Huang has found the secret to developing the livestock industry: it is to readjust crop distribution, to restructure the agricultural organization, and to plant in a planned manner more fodder and forage grasses rather than to convert grain after it has been grown. The principle is simple. As for the omnipresent corn, famous as the "king of feeds," output of grain seeds is less than 1,000 jin per mu, the dry matter amounts to 850 jin, total energy is approximately 1,900 kcal, 1,660 kcal of which are digestible by hogs, crude protein amounts to 100 jin, and calcium and phosphorus content is 0.5 jin and 2.1 jin, respectively. If instead of planting corn, we consciously grow sweet potatoes for fodder, multiple vine cuttings with a total output of 20,000 jin of vines and 2,000 jin of fresh sweet potatoes per mu would yield 3,300 jin of dry matter, total energy would amount to 6,920 kcal, 4,840 kcal of which are digestible by hogs, crude protein would amount to 462 jin, and calcium and phosphorous content would be 48 jin and 15 jin, respectively. Comparing the two, the feed value from 1 mu of fodder sweet potatoes is equivalent to at least 4 mu of high-yield corn. If we underplant silage corn with alfalfa, and then interplant soybeans and mung beans after cutting the corn, the total biological output and nutrient value will be even higher. According to a statistical survey in Canada, the average amount of dry matter per mu of purple alfalfa is 4.7-fold greater than for wheat, and protein amount is 7-fold greater; furthermore, there is a comparatively more complete array of nutrients and it can fertilize the field through nitrogen fixation. Why do we not convert all the biological energy and matter by using fodder crops and forage grasses instead of converting only one-fourth or one-seventh of the energy and matter? If we consciously grow fodder and forage grasses for conversion, it would raise the economic results from threefold to sixfold or more as against grain conversion. On the international scene, Denmark, the Netherlands and Australia, countries with the most developed livestock industries, devote all their cultivated land to growing fodder and alfalfa, except for planting just enough cereal grains for the people to eat (Denmark and the Netherlands depend on imports for all their cereal grains); nobody first raises grain crops and then uses the grain for conversion.

I feel it would be inadvisable for us to advocate "grain conversion" from now on. Promote preliminary and final processing of grain to develop the food industry; promote the growing of fodder and forage grasses to develop the livestock industry through readjusting farm crop distribution and restructuring the processing system, and in a planned manner bring fodder and forage grass production into a scientific crop rotation system.

In addition, we must appropriately change from "hogs first among the six domestic animals," to "cattle first," and stress the development of plant-eating animals. Given ample fodder and forage grass, the economic return from the livestock industry would be greater than from the plant-growing industry, and we could make gigantic strides in overall expansion of livestock production; this in turn would give impetus to raising grain production levels. This is an example of what Comrade Hu Yaobang meant when he said to "oppose plucking the pipa."

#### IV. Answers Derived Through Practice

The peasants pay a lot of attention to economic results and are most capable at doing detailed accounts, as in a traditional industry such as the stock-raising industry; if the economic return is good, they will expand it on their own without its being promoted. For example, since the people like to eat lean meat we should concentrate on developing plant-eating animals, and make "cattle first among the six domestic animals." In fact, the broad masses have already developed plant-eating animals on their own initiative. Yingshang County raised 1.05 million head of rabbits last year and this year will expand that number to 2 million head; Fuyang Prefecture raised more than 1 million head of large stock such as cattle and horses. Raising plant-eating animals brings a relatively high return, and the Funan County Agricultural Region Planning Office has made a fine investigation of this. Wang Pinggui [3769 1627 2710], a farmer in the Funan City suburbs, Shuangbei Village, Wangzhuand Hamlet, and his family of five contracted 10 mu of cultivated land and in 1984 cultivated 1.5 mu of spring sweet potatoes and raised 40 long-haired rabbits. From early July he cut 80 jin of fresh vines every day to feed to the rabbits; by the end of October a total of more than 9,600 jin had been cut. During this time period 14.5 jin of hair was sheared from the rabbits and was sold for 630 yuan; 20 small rabbits were sold for 400 yuan as well, which brought the total income to 1,030 yuan. This meant that the per mu income from raising rabbits on sweet potato vines was 686 yuan. In addition, they also harvested 730 jin of sweet potatoes per mu, so the gross output value per mu (including the income from raising rabbits) amounted to 760 yuan; this was more than quadruple the per mu output value from harvesting the sweet potatoes alone. There are many examples such as this, but mostly they are limited to feeding sweet potatoes to rabbits or hogs. If we specifically plant fodder and forage grasses, and intercrop alfalfa with Chinese trumpet creeper mixed with feed barley, and in the spring cut the barley and Chinese trumpet creeper for greenfeed, then interplant corn mixed with soybeans and when the soybeans are swollen and the corn is in the milky stage, cut them for greenfeed and silage, then interplant mung beans mixed with buckwheat and afterward again interplant a grass crop mixed with a pulse forage grass, augmented by three or four crops of alfalfa per year, in one year we

could harvest 40,000 to 50,000 jin of high-quality green and dry forage grasses or silage fodder. This is enough to raise a dairy cow and the net income per mu per year would be in excess of 1,000 yuan, which is more than quadruple the output value from harvesting 1,000 jin of corn and feeding it to hogs. If we grow fodder and forage grasses to develop the livestock industry and compare it to "grain conversion" to see which is better, would it not be obvious?

Of course China has a huge population and a limited amount of land and it is not realistic to have the peasants set aside the cultivated land specifically for growing forage grasses; rather, experiments show that interplanting, mixing and intercropping is quite practical. For example, we could plant wheat in the fall interplanted with peas or Chinese trumpet creeper between the rows and cut the creeper or peas in the spring as forage grasses and intercrop corn, and after cutting the wheat interplant soybeans between the rows of corn, and cut the soybean vines for greenfeed while replanting mung beans. If we plant soybeans or mung beans closely in the sweet potato furrows and use the bean vines and sweet potato vines together for greenfeed, not only would there be a great quantity of fresh grass, the nutritive value would be high as well. Thus, without diminishing grain harvests, by relying on interplanting, mixing and intercropping, we could harvest 10,000 to 20,000 jin of high-quality greenfeed per mu, and the green and dry forage grasses from 2 mu of grain fields could feed 1 more hog or 40 to 50 head of rabbits; the economic results would vastly surpass the income from growing cereal grain alone. We feel that the correct avenue to speedy development of the livestock industry is to make the most of the traditional agriculture in the homeland with intensive cultivation through interplanting, mixing and intercropping, to engage in three-dimensional agriculture and intensified management, and to harvest more forage grasses while cereal grain output remains undiminished.

12513/12955  
CSO: 4007/465

BUFFALO BREEDING SUCCESSES REPORTED AT MEETING

OW220418 Beijing XINHUA in English 1433 GMT 21 Nov 85

[Text] Nanning, November 21 (XINHUA)--Buffaloes in China are becoming suppliers of milk and meat while continuing to be draught animals.

The country has 19 million buffaloes, the second largest population of the animal in the world.

According to a recent national meeting here, there are already 150,000 buffaloes of a new breed able to produce more and better milk and meat.

The breed has been produced by hybridizing Chinese and Indian breeds, and then hybridizing the crossed buffalo with a Pakistani breed, according to participants at the meeting on the improvement of buffalo breeds.

The 23 female buffaloes of this breed raised in the animal husbandry research institute of Guangxi Zhuang Autonomous Region each produce an average of 2,200 kg of milk after reaching the age of three or four, and the maximum exceeds 4,300 kg.

A female buffalo of traditional breeds, however, gives out about 700 kg of milk during each milk producing period, merely sufficient for feeding its own offspring.

The milk of the improved breed contains about eight percent fat, as compared with the 3.2 percent of cows' milk.

The new buffalo breed is also superior to the traditional ones in strength, the meeting report.

Scientists are of the opinion that farmers are likely to lose interest in raising buffaloes as farm mechanization progresses.

The animal would be of practically no use except for during the three-month ploughing season each year.

/6662

CSO: 4020/100

YANG ZHONG INTERVIEWED ON FORESTRY REFORMS

Beijing NONGMIN RIBAO in Chinese 31 Aug 85 p 2

[Interview with Minister of Forestry Yang Zhong by Huang Zhengbao [7806 2973 1032]]

[Text] Southern China has had more than a half-year's practical experience since its collective forest areas implemented Central Committee Document No 1 and opened up lumber markets, and because the reactions toward this major reform have differed, this reporter interviewed Yang Zhong, minister of forestry. What follows are Yang Zhong's replies to questions concerning events following the elimination of centralized procurement for lumber in collective forest areas.

[Question] What is the basic point of departure of 1985 Document No 1 on deregulating lumber markets in collective forest areas?

[Answer] This decision of the Central Committee is a very important, far-reaching reform. Its basic point of departure is to enrich the mountain areas and the people. If we are to enrich the mountain areas, then we must enrich the people. To enrich the people, then we must change the long-standing irrational situation in which lumber prices were severely out of line with lumber quality, and whereby the labor payment of peasants engaged in lumber has not been fairly compensated. Since the 3d Plenum the 11th CPC Central Committee, we have raised the purchase price of lumber twice, and the "25 Regulations for Forestry" have set the ratio for purchasing and retailing at "open 3:7." Last year, we abolished centralized procurement for lumber in poor mountain areas, and this year we also decided to completely open up collective forest area lumbering. This is a continuation and development of the Ministry of Forestry's liberalization of forestry policies.

[Question] What are the advantages of deregulating lumber?

[Answer] It has still not been long since deregulation of collective forest area lumber, but many advantages have already become apparent. One is that it has allowed peasants involved with lumber to be able to "depend upon the mountains to become rich," and added new vitality for developing the economy of forest areas; second is that lumber is priced according to quality, distinguished between grades, and prices are gradually becoming more rational;

third is that it has promoted the economical substitution and comprehensive utilization of lumber; fourth is that it has promoted the reform of lumber management units in the forestry system, transforming them from closed management to open management and to better serving customers and peasants involved in lumber. Most recently, I went to rural areas in Hunan and Guangdong to investigate, and according to what the peasants said, buyers and sellers no longer are worried. Now they permit lumber to go on the market, carry out negotiated purchases and sales, customers are able to buy materials whenever they want and no longer need to buy in bulk and then store, and at the same time there is room for selection of quantity and variety, thereby dispelling the anxious feelings that some customers had when things were first opened up. As long as we actively lead and gradually establish and operate flexible circulation channels, then the advantages of deregulating the management of lumber will gradually become apparent.

[Question] Some people are concerned about what should be done if the lumber controlled by the state after the abolition of centralized procurement for lumber in collective forest areas does not meet construction and production needs.

[Answer] The lumber required by key national construction projects has always been supplied primarily by national forest areas and state-run tree farms; this amounts to over 80 percent of the total amount of lumber turned in to central authorities. At the same time, each year we also import a portion of our lumber from abroad, to adjust and supplement our own supply. Consequently, the elimination of centralized procurement of lumber in collective forest areas will not have a major impact on total sources. Of course, certain areas may experience shortages, whereupon the state can adopt methods such as exchange purchases or purchase at preferential prices. But we will not return to the old methods and will not following the old procedures of centralized lumber procurement from peasants involved with forestry.

[Question] How are we to deal with excessive harvesting of fir trees and under-harvesting of pine and other types of trees?

[Answer] First we must strengthen propaganda and education, and guide peasants involved with forestry in the rational use of forest resources. At the same time, the forestry departments should work hard to enforce the principle that the amount felled must not exceed the rate of growth, issue certificates for cutting, limit the excessive cutting of fir trees, and stimulate the production of pine and other trees. This problem has already drawn the attention of the concerned areas, and they are now adopting measures to deal with it.

[Question] What new problems have arisen since deregulation of lumber?

[Answer] There has been tremendous fallout from deregulating lumber, and there is a great deal of work to be done if we are to logically follow this to arrive at our expected goals. One problem is to educate cadres and the masses to understand the relationship between state, collective and the individual, and strive to complete state tasks and abide by purchase and marketing agreements. Another is to prevent the wanton felling of trees. The legal

nurturing of forests requires that things be done concretely and that the masses be involved, and we must rely on the broad masses to supervise the mountains and nurture the forests. To strengthen and improve forestry management, we must keep uniform accounts, certify felling, certify transport, certify marketing, and not allow things to drift. Third, we must formulate guided prices and adopt diversified forms to improve as quickly as possible the present situation where both buyers and sellers are afraid of suffering losses. Fourth, while there are advantages to having many businesses involved in lumber and in developing competition for enlivening the forest economy and improving services, we must prevent negative factors such as administrative monopolies, driving up prices, and tax evasion. Units and individuals who are managing lumber should be strictly investigated by industrial and commercial management departments, and only those with the proper credentials should be registered. These units and individuals must follow regulations and obey the law, pay taxes, observe forestry administrative management, and may not use any means to encroach upon the interests of peasants engaged in forestry or to destroy forests. Fifth, if all levels retain too much of the profit from collective mountain forests, then the peasants engaged in forestry will not achieve much material benefit. This is a serious problem. Each province and autonomous region ought to work out unified regulations, limit various kinds of withholding, and guarantee that peasants engaged in forestry obtain more material benefits. Sixth, various quarters must coordinate closely and support the forestry departments in giving full play to their role as the main channel for managing lumber, in order to regulate the market and to ensure lumber for key projects and for special uses.

12452

CSO: 4007/462

PROVINCIAL FIGURES ON HEMP PRODUCTION DISCUSSED

Beijing NONGMIN RIBAO in Chinese 10 Sep p 2

[Report by Xiao Xu [2556 2485]]

[Text] As we understand it, there has been a rather large increase in the area under production this year in some of the nation's major jute and ambari hemp producing provinces, and it is predicted that a trend of production surpassing demand will appear after the new jute goes on the market.

Hunan: There has been a sharp increase in the area planted in jute and ambari hemp, and the total yield is predicted to reach over 3 million dan, a more than 2-fold increase over last year. The amount of jute needed by Hunan's industry, plus that exported and that sent to market, amounts to about 1 million dan, and there are still 2 million dan that need to be marketed outside the province.

Hubei: The production of jute and ambari hemp has developed very rapidly and the area under cultivation has expanded from 130,000 mu in 1978 to 580,000 mu in 1984, while total yields have increased from 210,000 to 2.41 million dan. The amount of seeds brought in this year increased sharply from 2.55 million to 7 million jin, and it is expected that the total yield this year will double and redouble.

Anhui: This year the area cultivated in hemp and ambari hemp is about 3 million mu, and the anticipated yield is between 8 and 9 million dan, and there is a striking contradiction of production far exceeding sales.

Sichuan: The area under cultivation has expanded and the yield will greatly increase. Last year the yield was only 30,000 dan, but this year it is expected that 700 million dan can be produced. This year the province has only seven hemp spinning plants, and it takes about 700,000 dan for production and the peoples' needs, which leaves about 90 percent of the original hemp that needs to be shipped out of the province.

Jiangxi: This year 213,000 mu of hemp and ambari hemp were cultivated, an 80-percent increase over last year. It is expected that total yield could reach 1 million dan. There are three large and medium-sized hemp spinning plants in the province, and with market supplies, the actual amount needed is about

450,000 dan, and about 20 to 25 percent of the hemp and ambari hemp must still find a market outside the province.

Guangxi: This year the province will plant about 880,000 mu of hemp and ambari hemp, a 1.5-fold increase in cultivated area, and the yield is expected to reach from 1.8 to 1.9 million dan. Analyzing the situation from the balance between provincial production and sales, the hemp spinning industry in the district uses between 1 and 1.1 million dan of hemp, it exports 100,000 dan, and market sales are between 100,000 and 150,000 dan, which still leaves 450,000 to 500,000 dan to be sent outside the province.

Jiangsu: This year the area of hemp and ambari hemp cultivated in the province reached 350,000 mu, and the total yield is expected to exceed 2 million dan. There is a large capacity within the province for spinning hemp, plus the hemp sent to market, and so requirements for this year and next will be over 2.5 million dan. If the hemp spinning plants use all provincial hemp, then no great problems will appear in production and sales.

Henan: This year, the total yield for hemp and ambari hemp in the province could reach 7.5 to 9 million dan, producing a fairly prominent contradiction of production exceeding sales.

Shandong: The area of hemp and ambari hemp cultivated sharply increased from over 100,000 mu last year to 1 million mu. Prospects for future growth are good, and the total yield is expected to be 2.8 to 3 million dan.

Hebei: This year the area cultivated increased over last year, and total yield could reach 700,000 dan, which is nearly a 6-fold increase over last year and will result in production exceeding sales.

12452

CSO: 4007/466

IMPROVED WATER CONSERVANCY PROJECTS DRIVE BEGINS

OW270920 Beijing XINHUA in English 0909 GMT 27 Nov 85

[Text] Beijing, 27 November (XINHUA)--A drive is underway to improve water conservancy projects in Northern China for another good harvest next year, according to reports from local governments.

The drive involves millions of people in provinces north of the Yangtze River, including three Northeast China provinces where many irrigation and drainage facilities were destroyed by floods in the summer of this year.

The mass mobilization was launched following a State Council circular issued earlier this month calling for more efforts to strengthen management of irrigation and drainage facilities.

Recently, the government has time and again reaffirmed the policy of not neglecting grain production while striving to build a market-oriented rural economy.

Peasants are now encouraged to make long-term investments in farmland capital construction, in the wake of six consecutive good harvests.

Jilin in Northeast China reported a daily turn-out of nearly one million people on worksites along its seven major rivers to rebuild irrigation facilities damaged by floods last summer.

Peasants in Yantai, Shandong Province, were reported to have invested 480 million yuan or about 80 percent of the total investment in water conservancy projects.

A daily average of 160,000 people are now working on 4,000 water conservancy projects in Tangshan, Hebei Province. In Yanbei prefecture, Shanxi Province, peasants have levelled more than 31,000 hectares of farmland and sunk 66 pump wells since 1 October.

/12913  
CSO: 4020/104

## BRIEFS

**STATE FARM INCOME UP**--Beijing, November 19 (XINHUA)--China's state farms, which used to lose money, now expect to make a net profit of 800 million yuan this year. Their total output value is rising 10 percent annually between 1981 and 1985, according to the PEASANTS' DAILY. The paper attributed the change to a de-centralization of farm management. There are now 810,000 household farms, employing 80 percent of the state farm employees, who use to draw monthly salaries regardless of the harvest. The household farms contract farmland and farm machines from the state farms, which may retain whatever is left after paying taxes and turning over a portion of the harvest to the state farms. For the first time state farms are encouraged to engage in businesses other than farming. The industrial output value will account for 50 percent of the total produced this year, up from 40 percent in 1980, the daily said. [Text] [Beijing XINHUA in English 1451 GMT 19 Nov 85 OW] /6662

**NORTHERN CATTLE BREEDING**--Hohhot, 27 Nov (XINHUA)--A new breed of beef and dairy cattle has been developed jointly by technicians from Inner Mongolia, Jilin, and Hebei provinces, a local official here said. The crossbreed of imported dairy shorthorns and native Mongolian cattle has been named "Chinese Grassland Red Cattle" by the Ministry of Agriculture, Animal Husbandry, and Fisheries. So far, 91,000 have been bred, including 6,600 for further breeding. The cattle live well on semi-dry grasslands and coarse fodder, and have an average yield of 1,600 to 2,000 liters of milk a year and 300 to 350 kilograms of beef. Milk yield is between 200 and 300 percent more than Mongolian cattle and beef 100 percent more. [Text] [Beijing XINHUA in English 1608 GMT 27 Nov 85 OW] /9738

**RESEARCH COMMITTEE SET UP**--Beijing, 27 November (XINHUA)--China has set up a National Climate Research Committee, according to the GUANGMING DAILY. China is one of the countries seriously affected by the abnormal climate, the paper noted. The China Climate Research Committee consists of experts from the Chinese Academy of Sciences, the National Meteorological Bureau, the National Bureau of Oceanography, the Ministry of Water Resources and Electric Power, the Territorial Bureau under the State Planning Commission, colleges as well as from schools of higher learning. It will plan and direct national climate research, promote international academic exchanges and offer consultancy on climate changes. [Text] [Beijing XINHUA in English 0801 GMT 27 Nov 85 OW] /12913

**EXPERIMENTS ON FAST-GROWING FORESTS**--Wuhan, 27 November (XINHUA)--Over 66,000 hectares of fast-growing trees have been planted in a pilot project of China's Ministry of Forestry. Since 1980, the ministry has set up experimental centers in 115 counties and on 107 state forestry farms to plant poplars, China firs, eucalyptuses and pond pines. The trees were given special care, according to a national meeting on the project which ended Monday. Reports from eight centers in a Shanxi Province indicated that their poplars are growing 30 times faster than those which grew in untended forests and the time span to maturity is 20 years less. [Text] [Beijing XINHUA in English 1137 GMT 27 Nov 85 OW] /12913

SCIENTISTS SURVEY PLANTS WITH INDUSTRIAL VALUE

OW030810 Beijing XINHUA in English 0729 GMT 3 Dec 85

[Text] Changchun, 3 Dec (XINHUA)--Scientists have confirmed 1,790 wild plant species as of industrial value in the Changbai mountains, Northeast China, through a survey over the past three years.

Medicinal herbs number 900, among the largest number in China, according to a Northeast China Forestry Institute expert.

Herbs with reserves of more than 50,000 tons include the Chinese magnoliavine fruit and wuchaseng (*acanthopanax gracilistylus*), said Professor Zhou Yiliang, who led the survey team.

Rare and valuable plant species include wild ginseng, glossy ganoderma and hedgehog hudnum, and perfume-containing plants such as daphne.

The survey involved 1,560 experts from Jilin and other provinces and covered some eight million hectares, or 76 percent of the mountain area.

It was aimed at better protecting and exploiting wildlife in the mountains of Jilin and Heilongjiang provinces, said Zhou Yiliang.

Now all 20 counties in the area have factories to process medicinal herbs, Zhou said, adding that medicines made from ginseng come in 100 varieties.

There are also a number of factories and breweries using mountain products as raw materials.

A laboratory and an experimental factory have been built in the region in an effort to extract oils from local plants.

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CSO: 4020/114

## TRANSPROVINCIAL AFFAIRS

### BRIEFS

FOREST PROTECTION, FIRE PREVENTION MEETING--The 12th meeting on forest protection and fire prevention in Yunnan, Guizhou, and Guangxi was held in Guiyang from 5 to 7 November. The meeting summed up achievements, exchanged experiences, commended the advanced, and arranged work. More than 100 representatives from 34 joint protection and prevention units of the relevant prefectures, autonomous prefectures and cities in Yunnan Guizhou and Guangxi attended the meeting. Vice Minister of Forestry Liu Chun attended the meeting and delivered an important speech. The meeting held that good results have been achieved in joint protection and prevention work during the period from October 1984 to October 1985 when Guizhou Province was in charge of the work. During the period from October 1984 to October 1985 in particular, the area of destroyed forests involved in joint protection and prevention decreased from 0.74 percent in 1984 to 0.123 percent in 1985, and the target set by the Ministry of Forestry for controlling the area of forests destroyed by fire under 0.5 percent before 1985 was thus attained. At yesterday's meeting, Provincial Vice Governor Luo Shangcai and (Peng Baideng), chief of the joint protection and prevention commanding office and director of the provincial forestry department, awarded banners and bonus to the 24 advanced units which have done a good job in forestry protection and fire prevention. /Excerpts/ /Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 7 Nov 85 HK/ 12228

CSO: 4007/94

## RURAL POVERTY VIEWED AS PROBLEM REQUIRING SERIOUS ATTENTION

Hefei ANHUI RIBAO in Chinese 30 Aug 85 p 2

[Article by Zhou Zhendong [0719 2182 2639]: "Emphasize Support for Will and Support for Fundamentals in Supporting the Needy"]

[Text] With the promotion of the output-related contract responsibility systems and readjustments to the structure of rural agricultural production during the past several years, the economic situation in Anhui Province's rural villages has improved with each passing year. Nevertheless, as a result of natural conditions, the work base, and the carrying out of policies, economic development has been uneven from one place to another, and in some rural villages production and livelihood are extremely difficult for some people even to the point where the problem of getting enough food and clothing has not been solved. Take the Dabie Shan region in western Anhui, the bleak mountain region of southern Anhui, and the floodwater storage areas along the Chang Jiang and the Huai He, which suffer disasters year after year. Here the areas of distressed townships and villages and needy households are rather large. These areas are inaccessible to transportation, information does not circulate freely, production funds are scant, education is antiquated, technical personnel are lacking, and economic development is slow. Thus, while continuing to encourage and guide some of the peasants in becoming prosperous, actively assisting the people of these areas to change their production conditions, to hasten development of commodity production, and to remove the stigma of poverty appears more urgent and necessary.

CPC Central Committee and State Council concern for going a good job to assist the rural needy and to transform the situation in rural villages that still languish in poverty shows a high degree of serious attention. We must correctly understand and recognize the guiding spirit of the Central Committee and the State Council in providing support to needy rural families to develop production and to transform the situation in impoverished areas as quickly as possible. Providing support for the needy is more than just the former simple assistance that only solved problems of food and clothing. It is necessary to link this work closely to realization of the party's overall mission and goals. If a portion of poverty-stricken areas, impoverished households, and disabled servicemen and family members of revolutionary martyrs and servicemen receiving special care could banish poverty and become prosperous, that would directly add material force to the four modernizations and would serve the

goal of quadrupling output value; if not, a drag will be exerted on the quadrupling of output value. Therefore, it is necessary to focus on good performance in providing support to the needy and to the families of servicemen, which will promote quadrupling of output value and hasten realization of the party's magnificent goal.

Where then should support and assistance to needy areas be placed? Uncompensated assistance to Anhui Province by the state since liberation has totaled 1.4 billion yuan, not a trifling amount. Nevertheless, results from it have been rather miniscule, and changes in the situation in some needy areas have not yet been significant. The reason is that the money provided by the state to help needy areas has been disbursed evenly in most cases; efforts have not been placed on needy areas and needy households developing production, and extremely little consideration has gone into how to increase the confidence of people in needy areas in their ability to triumph over hardships. As a result, assistance has been given year after year, and the more the assistance the less it has helped. On the contrary, it has fostered a psychology of dependence among needy households in some places. Their two eyes looking upward, they sit awaiting higher authority to bestow favors, becoming "a poverty pit that cannot be filled and a wet rope that cannot be propped up." Internal causes are the foundation for change. To provide support entails taking firm grip on the fundamental matter of strengthening the economic viability of the needy peasants themselves, changing from "blood transfusions" to "making blood," which means both treating the "surface" and curing the "root problems." What is not needed is regarding support for impoverished areas and needy households only in terms of disbursing a little money and sending a little grain. Only if needy households are helped to develop production can their inherent enthusiasm be stirred, their psychology of dependence be removed, and their confidence and will enhanced. Some people who have relied on diligent labor have already become prosperous, and this has given needy households hope. They feel that they have bright prospects, and they urgently hope that with various forms of support and as a result of their own efforts they will be able to throw off their poverty and move toward prosperity.

A large body of facts also demonstrates that many needy households can become rich. Tangshan County has persisted in supporting the needy and attacking the roots of poverty, devoting attention to increasing the economic vitality of needy peasants themselves. Since the end of 1984, the whole county has begun to emphasize support for 1,500 needy peasant households. Today, more than 800 of these households have escaped poverty and become prosperous. During the past 2 years, Jinzhai County has achieved notable successes by adopting key methods to support its 40 most impoverished villages through the development of production and strengthening of inherent economic vitality.

Movement away from simple assistance to support for production and from treating the symptoms to curing the root causes has been a new change in rural relief work in recent years. Practice has shown that in providing support to needy peasants, only steadfast support of will and support of fundamentals can produce fruitful results. Maintaining psychological support requires an intensification of ideological education to help the people to persevere in their determination to banish poverty and to surmount the psychology of

dependence and passive feelings of having no way out, no place to go, and no power, to help them analyze the reasons for their hardships and the conditions for alleviating them so that they realize that there can be a bright future and strengthen their confidence. Adherence to support of fundamentals means proceeding from realities, supporting needy households in suiting general methods to specific circumstances, playing up strengths and playing down weaknesses, taking advantage of strengths, broadening avenues, and going from poverty to prosperity in a fundamental way.

Fortifying resolve, supporting the fundamentals, and curing poverty to become prosperous is the summation of the lessons derived from social assistance work during the past several decades, and it is also a crystallization of the successful experience of recent years. We must take a genuinely firm hold on the work of providing support to impoverished areas and needy households by using this overall guiding thought. We must work out plans, so that results can be seen in the first year, so marked changes occur during the second year and so that there are bright prospects from the third through the fifth years, the situation in impoverished areas taking on a new look as a result. By the year 2000, per-capita income in impoverished areas should reach the average for the province as a whole, the picture of impoverishment and backwardness being fundamentally changed by the end of the century so that the mass of people lead a reasonably comfortable life.

9432

CSO: 4007/11

## PROGRESS REPORTED IN COLLECTION OF MATURE AGRICULTURAL LOANS

Hefei ANHUI RIBAO in Chinese 2 Sep 85 p 3

[Article by Wang Yanhai [3076 6056 3189] and Wu Hanqing [0702 3352 0615]:  
 "Progress Made in Anhui Province's Agricultural Loan Collection Work"]

[Text] Statistics from the Anhui Agricultural Bank show that as of 12 August, a net of 347.97 million yuan of payable agricultural loans throughout the province had been recovered. This amounts to 75.2 percent of the net recovery. Fuyang Prefecture as well as Huaibei and Huainan cities have overfulfilled their net recovery tasks; Anqing Prefecture and Bengbu City have fulfilled more than 90 percent; and Huizhou Prefecture plus Ma'anshan and Anqing cities have fulfilled more than 80 percent. Progress was slow at first in Chuxian Prefecture, but once the prefectural CPC Committee and government administrative offices learned of the situation, they promptly strengthened leadership and progress during August increased markedly. Nevertheless, net recovery of agricultural loans continues fairly slowly in some places. Currently banks everywhere have transferred cadres to rural villages and enterprise units to carry out checks on loan policies and take a firm hand on recovering farm loans that have reached maturity.

## Progress of Summer Agricultural Loan Recovery in Anhui Province

Place	Summer bank loan collection quota	Net amount recovered between May & August	Percent fulfilled
Total for province	46,300	34,797	75.2
Fuyang Prefecture	7,000	7,329	104.7
Suxian Prefecture	4,000	3,174	79.4
Chuxian Prefecture	5,500	3,517	63.9
Lu'an Prefecture	5,850	2,713	46.4
Zhaohu Prefecture	5,600	3,744	66.9

Anqing Prefecture	5,000	4,585	91.7
Xuancheng Prefecture	1,700	1,036	60.9
Huizhou Prefecture	400	330	82.5
Hefei City	3,800	2,076	54.6
Bengbu City	4,100	3,705	90.4
Huainan City	400	410	102.5
Huaibei City	650	658	119.6
Ma'anshan City	450	383	85.1
Wuhu City	1,600	907	56.7
Tongling City	100	47	47.0
Anqing City	200	161	80.5
Huangshan City	50	22	44.0

9432

CSO: 4007/11

## BRIEFS

FEED PRODUCTION, MARKETING PLAN FULFILLED--From January to July this year, Anhui Province's feed industry produced a total of 46,200 tons of compound feed and mixed feed, thus overfulfilling the production and marketing plan issued by the Ministry of Commerce 5 months in advance. According to statistics from pertinent departments, Fuyang, Lu'an, Anqing, Suxian, and Chuxian prefectures, along with Huainan and Huaibei cities, have already overfulfilled their annual plans. Huizhou and other prefectures lacking in feed resources have adopted various forms to organize raw materials, tapped potential, and rationally formulated plans, and so have completed their tasks quite well. This year, we have already begun construction of 20 new medium-sized feed plants in Anhui, and some have already begun installing machinery. [Text] [Hefei ANHUI RIBAO in Chinese 4 Sep 85 p 4] 12452

CSO: 4007/466

RESIDENTS SPEND MORE AT PEASANT MARKETS

OW202050 Beijing XINHUA in English 1652 GMT 20 Nov 85

[Text] Beijing, November 20 (XINHUA)--Beijing families now buy half their vegetables from peasant markets, according to a sample survey carried out by the Beijing Branch of the China Industrial and Commercial Bank.

During August, September and October they bought 84 million yuan of food from such markets. Of this 40 percent was spent on vegetables, 15 percent on pork and the rest on eggs and fruit, the survey indicates.

The survey was based on 50 families from both urban and suburban areas, covering 300 items from shopping baskets.

Peasant flooded into Beijing this summer when authorities gave them permission to sell their wares on the street.

Shoppers now appear to buy from peasants quality produce, which is not always available at state shops. They use the state stores for lower-priced vegetables.

Statistics suggest that while families split the money they spend on vegetables equally between peasant markets and state shops, during August, the slack season, 70 percent of their vegetables were bought from peasants.

Pork, poultry and several other things usually available at state shops are sometimes cheaper at such markets, but mutton and beef are about 25 percent dearer.

/6662

CSO: 4020/98

PEASANTS TO DEVELOP POOR HILLY AREAS

OW221927 Beijing XINHUA in English 1601 GMT 22 Nov 85

[Text] Beijing, 22 Nov (XINHUA)—The Beijing Municipality has worked out a 5-year plan to develop the poor hilly areas on its northern and western fringes.

Hilly areas cover 62 percent of the city's total area, and 37 townships, covering nearly 30 percent of such areas, are now classified as poor.

Most of these are on steep, arid hills some 200 km from the city center, where there are practically no highways and water supply is insufficient.

The details of the plan, worked out by the standing committee of the municipal people's congress today, are as follows:

The peasants in the poor hilly areas are allowed to undertake individual farming on collectively-owned land;

They are encouraged to plant more timber and fruit trees, while developing animal breeding, transport, labor service and other enterprises which can make quick profits;

The financial subsidies, which used to be given as living allowance, will be spent on the development of commodity production;

Agriculture and forestry taxation in these areas will be reduced or remitted;

Loans shall be given interest-free or at low interest rates.

The city government has promised additional money to build highways and provide drinking water to 294 of the most deprived villages.

Government organizations and enterprises are now urged to lend a hand in developing industries in the hilly areas by passing on technology and training skilled hands.

/9604

CSO: 4020/112

## BRIEFS

**RESIDENT'S DIETS ANALYZED**--Beijing, 22 November (XINHUA)--Beijing residents have cut down on grain and added meat, eggs and dairy products to their diet over the past three years, a sample survey done by the City Health and Epidemic Protection Department shows. The survey, covering 400 families, reports that the amount of vegetable and animal protein Beijingers take in each day has doubled that of 1983, while cereals have decreased by 5.7 percent. Now more white bread is appearing on tables. Average intake is 1.3 kilograms of food a day, consisting of 39 percent cereal grains, 48 percent vegetables and fruit, and 10 percent meat, fish, poultry and dairy products. However, the changed diet has not improved the health of Beijing's people. Among those surveyed, 32 percent were overweight and many people over 50 were suffering from high blood pressure. Nutritionists are urging people to eat more natural foods such as beans, millet and corn, and less fat and salt. [Text] [Beijing XINHUA in English 1556 GMT 22 Nov 85 OW] /12913

**BEIJING PRODUCT OUTPUT REPORTED**--Beijing Municipality's grain output for 1985 is estimated at 4.35 billion jin, exceeding the plan by 14.5 percent. The average annual increase between 1981 and 1985 is 3.2 percent. The purchasing volume of fresh eggs for 1985 is estimated at 180 million jin, an increase of 38.5 percent above the plan. The average annual increase between 1981 and 1985 is 30 percent. The milk output for 1985 is estimated at 280 million jin, the same as planned. The average annual increase between 1981 and 1985 is 15.5 percent. The amount of fresh-water fish for 1985 is estimated at 30 million jin, exceeding the plan by 150 percent. The average annual increase between 1981 and 1985 is 30 percent. [Text] [Beijing BEIJING RIBAO in Chinese 30 Oct 85 p 1 SK] 12624

CSO: 4007/100

DISPUTE ON LANDSLIDE IN GANSU PROVINCE RESOLVED

OW111222 Beijing XINHUA in English 0750 GMT 11 Nov 85

[Text] Lanzhou, November 11 (XINHUA)--The 1983 landslide in Gansu Province was caused by movement of the bed rock not underground water.

This is the result of further study by researchers at Lanzhou University, thus ending a two-year-old dispute over the cause of the landslide.

This is of great importance in finding ways to prevent such natural calamities on the loess plateau in Northwest China, experts from the Gansu provincial science and technology commission said.

The landslide took place on March 7, 1983 in Southern Gansu Province. It killed 237 people and seriously injured 27 others and destroyed three villages.

Soon after, scientists at the Lanzhou Institute of Glaciology and Cryopedology and Lanzhou University made an on-the-spot survey to determine the causes.

They came back with different views. Some held that the loess slide had been caused by the movement of underground water while others thought the cause was the movement of the bed rock.

More on-the-spot surveys were organized and discussions were held, but no consensus was reached.

Researchers at the Lanzhou University made spot surveys on seven more occasions. The conclusions of the surveys tallied with the result of their experiments.

Scientists from the Lanzhou Institute of Glaciology and Cryopedology and other research units all now agreed.

/6662

CSO: 4020/100

# DEVELOPMENT OF HAINAN'S SUGAR INDUSTRY OUTLINED

Haikou HAINAN RIBAO in Chinese 25 Aug 85 p 2

[Article by Chen Mingshen [7115 2494 3234]: "Develop Improved Varieties of Early-Maturing, Sugar-Rich Sugarcane and Increase the Economic Returns of Sugar Production: A Strategy for Developing Hainan's Sugar Industry"]

[Text] How to raise economic results in Hainan' sugarcane industry is a question that concerns everyone. I feel that developing improved varieties of sugarcane that are early maturing and high in sugar content would be a simple yet effective measure, for the more early-maturing, high-sugar-content sugarcane we have, the higher the sugar production rate will be. And we can also begin pressing earlier, extend the pressing period, give even better play to the capacity of the current facilities of sugar plants, and raise economic results.

In the 1984-85 pressing season, the Jiaji sugar plant, Longtang sugar plant and Dingan sugar plant in Hainan all started pressing in November. These plants use primarily improved varieties of early-maturing, sugar-rich sugarcane. The Jiaji sugar plant began pressing on 15 November, and the sugar content of improved sugarcane varieties reached 11.88 percent; the Longtang sugar plant began pressing on 20 November, and the sugar content of improved sugarcane varieties reached 12.6 percent; the Dingan sugar plant began pressing in the last part of November, and the sugar content of the improved sugarcane varieties was 13.1 percent. With more improved sugarcane varieties which are early maturing and high in sugar content, we can begin pressing earlier and can also raise the amount of sugar for the 4th quarter and for the entire pressing season, and economic results can be raised proportionately. In this pressing season, improved varieties of sugarcane that are early maturing and high in sugar content account for about 30 percent of the sugarcane used at the Nada, Longtang and Jiaji plants, and their total profits were 1.32 million yuan, 1.29 million yuan and 1.08 million yuan, respectively. The Nada sugar plant used over 30,000 tons of early-maturing, sugar-rich sugarcane, which was over 34 percent of the sugarcane used, the sugar content was 14.04 percent and the sugar production rate as 12.02 percent. During this pressing season, they pressed 86,000 tons of sugarcane, earning a profit of 1.32 million yuan, averaging over 150,000 yuan per ton of cane, which made it the highest profit-making sugar plant in Hainan.

Hainan's sugar plants now have a daily pressing capacity of over 24,400 tons. If improved varieties of sugarcane that are early maturing and high in sugar made up 30 percent of the sugar cane used, then we could begin the pressing season 15 days earlier, and we could handle over 360,000 tons of sugarcane, which would be equal to having the state build a new sugar plant that could press 1,000 tons of cane in 3 days without spending a penny. This would be equal to saving 87 million yuan of state funds. Popularizing improved varieties of sugarcane that are early maturing and high in sugar content would obviate construction of additional new sugar plants and would enable increased sugar production without increasing the area of sugarcane cultivation. This is an effective measure for raising economic results. But at present, this method has not drawn everyone's attention, resulting in rather slow development of improved sugarcane varieties that are early maturing and sugar-rich. This year, the district has grown 1.65 million mu of sugarcane, but there are only 230,000 mu of such improved varieties, or only 14 percent of the total. The autonomous prefectures, in particular, have even fewer improved varieties, as they make up only 2.17 percent of the total sugarcane area. The improved varieties of sugarcane are fairly well concentrated in the counties of Qionghai, Qionghai, Danxian and Dingan, but there is too little early-maturing sugarcane and too much that is late maturing. According to the proportional demand for early, mid- and late-maturing varieties, there are too many late-maturing varieties, and because of unbalanced proportions and the fact that many sugar plants can neither begin pressing early nor extend the pressing period, economic returns have fallen.

To speed the development of improved, early-maturing and sugar-rich sugarcane varieties, I propose that relevant agricultural, industrial, scientific research and sugar plant departments everywhere set up and strengthen technological guidance service organs for sugarcane production, to serve exclusively to develop sugarcane production. In spreading new technology, emphasis should be placed on raising the sugar content of sugarcane, developing the propagation of improved sugarcane varieties, and energetically developing improved varieties of sugarcane that are early maturing and high in sugar content. At present, Hainan is energetically popularizing Guitang No 11, Yacheng 77-119, and Yuetang 63-237, and they have also intensified work on purifying and rejuvenating India 997. We must also actively introduce the breeding of improved varieties of sugarcane, and help peasants engaged in cane production to purchase and transport improved sugarcane varieties. And sugar plants and concerned departments can subsidize price difference from fees for sugarcane technical improvements, and so reduce the peasants' burden. In addition, concentrating on soil analysis, scientific fertilization, water conservancy facilities and promoting scientific sugarcane cultivation in sugarcane areas--thereby creating high-yield, sugar-rich sugarcane base areas for sugar plants--are effective means of raising the economic results of sugar production.

12452

CSO: 4007/466

## ABUSES CORRECTED FOLLOWING OPENING OF FORESTRY MARKETS

Guangzhou NANFANG RIBAO in Chinese 15 Sep 85 p 1

[Article by Lin Xi [2651 1585]: "Province's Forestry Industry Plays Leading Role in Timber Market, Stabilizing Timber Production and Assuring Benefits for Foresters; Sales of Timber by Forestry Industry Businesses for First Half of Year Amount to 78 Percent of Total Sales for Province"]

[Text] Statistics from units concerned show the province's forestry enterprises to have sold 600,000 cubic meters of logs during the first half of the year. This amounts to 78 percent of sales for the province as a whole and has played a role in keeping major timber channels open, in effectively stabilizing timber production, in bringing about real benefits for foresters, and in protecting forestry resources.

Acting in accordance with relevant Central Committee documents, this year the province cancelled centralized procurement of timber and opened up the timber market. This played a positive role in resolving problems caused by longstanding overly-low timber prices, inequitable production quotas, and forestry enterprises holding out their "iron rice bowls." Some new problems appeared, however, such as some specialized households and small timber peddlers felling and buying timber without authorization, giving rise to the re-emergence of reckless cutting and denudation in some forest areas. Some timber dealers denigrated quality to hold down prices, thereby hurting the interests of foresters, or they even siphoned off the "two funds and one tax" (funds for growing forest seedlings, reforestation funds, and the log tax). No one made purchases in remote mountain regions where the masses found it difficult to sell timber. In view of these circumstances, in order to place timber production and timber flow on the right track, forestry businesses in the province made full use of their advantages in being on the scene and having the equipment, techniques, manpower, funds and experience to participate actively in regulation of the market. They set up more and more purchase sites and went up in the mountains to make purchases from foresters. As a result of fair dealings and equitable prices, they attracted an increasing number of producers. In the Guzhu District of Zijin County, for example, a large amount of timber was resold at a profit by small timber peddlers with the result that little timber flowed out of the area and timber stations could deal only in leftovers. Subsequently, forestry businesses placed their purchase sites in mountain regions where foresters were

concentrated and gained confidence by providing good service, thereby fulfilling more than 70 percent of their timber purchase quotas for the whole year during the first half of the year. Forestry businesses in Pingyuan County instituted a complete responsibility system, improved administration and management, lowered costs, and offered prices that were better than those of small timber peddlers and other dealers to buy up foresters timber. They seized the initiative as a result, buying up more than 80 percent of the county's timber. Kanghe forestry station in Heyuan County went into the timber business with the local area and villages. By using the advantages both parties enjoyed, they changed the former chaotic situation in which some grassroots-level cadres arrogated felling permits for their personal advantage and in which small timber peddlers denigrated quality to force down prices to the detriment of the interests of foresters, thereby bringing stability to the forest region. Foresters made 11 yuan per cubic meter more than formerly on the logs they sold. During April and May, monthly income throughout the region from the "two funds and one tax" was more than the total for the first quarter. At the same time, timber stations, areas and villages also had more earnings than formerly.

9432

CSO: 4007/25

GUANGDONG VICE GOVERNOR TALKS ABOUT SUPPLY OF PORK

HK211559 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 20 Nov 85

[Text] Yesterday afternoon, at a provincial conference on the pork industry, Vice Governor Yang Deyuan said: The provincial government has decided to take measures to develop pig production bases, store frozen pork, strengthen the management of the slaughterhouses and individual meat peddlers, give play to the role of the state-run food departments as a main channel, promote pig production, do well in supplying pork, and check the rising price of pork.

From 16 to 19 November, the provincial government held a conference on the pork industry. The conference held that over the past year since our province reformed the policy of purchasing and selling pigs, pig production has developed and the supply in the meat market has been normal. Although the price has risen, the quality has improved.

In his summing-up speech at yesterday's conference, Vice Governor Yang Deyuan put forward several measures for developing pig production, which included: While mobilizing the masses to breed pigs, we must run pig production bases well. During the Seventh 5-Year plan, the whole province must develop pig production in accordance with the target of an increase of 6 percent a year. We must strengthen the management of slaughtering pigs and sales. We must consolidate or suspend slaughterhouses and slaughter-points which do not conform to the standard. The state-run food departments must give play to their role as a main channel, do well in storing pork, stabilize the market, and check the raising of the market price.

/12624

CSO: 4007/107

GUANGDONG

BRIEFS

BREWERY USES FOREIGN FUNDS, TECHNOLOGY--Guangzhou, November 18 (XINHUA)--A brewery using imported equipment and technology exclusively, the first of its kind in China, today went into production in this capital of Guangdong Province. The brewery can now produce 50 million liters of beer and 8,000 tons of malt annually. When the second phase of the construction is completed by the end of next year, it will be able to produce some 120 million liters of beer a year. Financed with foreign investment, the Pearl River Brewery imported its facilities from Belgium, Britain, France, Federal Germany and Italy by way of compensation trade. It now makes three brands of beer and plans to export 40 percent of its total produce. [Text] [Beijing XINHUA in English 1635 GMT 18 Nov 85 OW] /6662

CSO: 4020/98

## BRIEFS

GUANGXI FORESTRY DEVELOPMENT--In the past three years, Wuzhou Prefecture has scored successes in developing the forest zones by utilizing foreign capital imported in the form of compensation trade. From 1961, the prefecture has sown by plane seeds of masson pine over an area of 5.08 million mu of mountain slopes, of which over 2.48 million mu of the pine grows well, representing an amount of over 15 million cubic meters of timber reserves. In order to raise saplings and harvest the trees, the prefecture has signed in two years' time 6.7 million yuan of compensation trade investment contracts with over 30 units in Hubei, Henan, Jiangsu and Shanghai and has built 235 kilometers of highways to the forest zones, 84 kilometers of major roads and 732 kilometers of minor roads in the zones. Consequently, the income of peasants was increased by over 6 million yuan. As at this moment, the prefecture has honored 4.5 million yuan of contracts and supplied over 100,000 cubic meters of timber to the units. [Summary] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Nov 85 HK] 12624

CSO: 4007/107

## BRIEFS

GUIZHOU RESIDENTS' INCOME INCREASES--During the Sixth 5-Year Plan, incomes for residents in urban and rural areas in Guizhou Province has constantly increased. It is estimated that in 1985, peasants' income from the sale of their products may reach some 2.5 billion yuan, an increase of 150 percent over 1980 and workers' income, including wages and bonuses, may reach 2.12 billion yuan, an increase of 51.21 percent over 1980. According to statistics for 1985, urban and rural residents' expenses for cultural work, livelihood, and service work may amount to 350 million yuan, an increase of about 130 percent over 1980.

/Summary/ /Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 19 Nov 85 HK/  
12228

CSO: 4007/89

# IMPROVING CONTROL OVER VEGETABLE, FOOD PRICES

Shijiazhuang HEBEI RIBAO in Chinese 14 Sep 85 p 1

[Article: "The Hebei Price and Foodstuffs Work Conference Calls for Strengthened Price Administration and Control of Price Increases"]

[Text] The Hebei Provincial Price and Vegetable and Food Work Conference concluded on 11 September. Vice Governor Hong Yi [3163 3015] spoke during the conference and called on everyone to acknowledge fully the importance of controlling price increases, to be conscientious in strengthening price administration, and to guarantee inevitable victory in the early battles in price reforms this year.

The central task of price work at present is to control price increases. This is needed to guarantee victory in the early battles in price reforms and to guarantee the smooth implementation of reforms in economic systems. It also is a major concern in making closer the relationship between the party and the masses and for consolidating and developing the good situation of stability and unity, and we must strive to complete it as a governmental task. To achieve the goal of controlling price increases, the conference clarified some principles and policy limitations.

First, there should be suitable centralization of jurisdiction over price administration to control increases in the prices of goods and fee collection standards in tertiary industries. In the current need for appropriate centralization of jurisdiction over price administration, apart from other stipulations of the State Council, there temporarily should be no downward transfer of jurisdiction over price administration. No professional departments should be affected by the tendency to raise prices in their own system and the attention given to raising prices, nor should they independently announce price increases or any measures that could cause price increases.

Second, we should adhere to the principle of administration with invigoration and integration of administration and invigoration. For commodities that come under state-determined posted prices, production management units should strictly implement posted prices. Commodities for which floating prices are clearly in effect should adhere strictly to the scope of the stipulated product types and degree of floating. No additional products should come under floating pricing in 1985. Guidance should be strengthened for farm and

sideline product prices that already have been opened up and directed negotiated prices should be implemented for some product types. Related departments in the provincial government should suggest price guidelines for such non-staple foods as pork and fresh eggs and cities should be responsible for directing equilibrium in vegetable prices. For other farm and sideline products and important household industrial products outside of state fixed prices, each area can stipulate certain dynamic price differentials for incoming sales to control the degree or set limits on maximum retail prices.

Third, prices for commodities which have seen changes in unified allocations this year like prices for pork products and in the food and beverage industry still should act in accordance with previously determined plans and, under the principle of not exceeding the stipulated rational profits or net profit rates, they can make gradual readjustments to put prices in order. They should not, however, use opportunities to make additional price increases to obtain high profits. Factors related to increased enterprise processing costs following price increases for raw materials should strive to absorb them within the enterprise or have the enterprises bear the burden temporarily.

Fourth, stabilize prices for the primary raw materials of the light and textile industries. For primary raw materials of the light and textile industries like synthetic fibers, artificial fibers, paste, cotton yarn, paper pulp, edible sugar, plastic raw materials and synthetic leather, the enterprises should adhere to state-determined prices for production within enterprise plans and for over-quota portions as well. They should not implement the method of higher prices for over-quota production. Price increases made by the enterprise themselves should be corrected immediately. Administration of prices for the means of production in industry should grasp the principle of the need for invigoration as well as strict controls.

The focus of controls over price increases is on such non-staple foodstuffs as meat, eggs and vegetables in urban areas, especially vegetables. After vegetable prices were opened up in the medium-sized cities of Hebei, the price of vegetables rose considerably, and there were many factors involved. Vegetable production and administration were overly unified in the past. There were more coarse vegetables and few fine vegetables, and prices were rather low. Now, there are more fine vegetables and the quality is higher, so prices should be increased a bit. In the past, vegetable prices in the medium-sized cities of Hebei were lower than in several northern provinces. Channels of circulation now have been opened up and prices in other provinces have increased, so Hebei cannot maintain overly low price levels. An examination of our work indicates that the administrative ideology, managerial patterns and administrative working styles in vegetable companies are not adapted to the new situation after the opening up. There are many links, high expenses and a reduction in amounts handled as well as a decrease in the proportions handled. State-run commercial vegetable administration has not been handled well, which is a problem that must be resolved now. First, vegetable production should be developed and the areas planted should be guaranteed. The principle of focusing on suburbs with compensation by outside areas should be adhered to, with a focus on the near suburbs and planned development of vegetable plots in the far suburbs. Vegetable production base

areas should be established in nearby counties. There should not be an excessive reduction in the area planted in vegetable plots in the near suburbs and reductions in the area should be compensated for in the far suburbs and outside areas. The total area should be increased.

We should be resolute in implementing linkages between production and marketing. Vegetable farmers should sign contracts with vegetable stores for direct shipment and transfer and direct accounting to reduce expenses and lower vegetable prices. Vegetable companies should be thorough in simplifying administration and relaxing authority, and all authority that should be held in the enterprises should be transferred downward to vegetable stores in order to create the conditions for enlivening the enterprises. Vegetable markets should focus on administration of vegetables and handle other non-staple foodstuffs as appropriate. All medium-sized cities should open up their gates and encourage the peasants to come to town and handle vegetables directly. Wholesale and retail vegetable markets should be managed well to facilitate sales to residents. The most important thing at present is to focus on managing the production of Chinese cabbage and strive for a bumper harvest. Medium-sized cities with inadequate sources of vegetables should focus on signing contracts with producing counties and organize sources of materials as soon as possible.

12929/12539

CS0: 4007/39

HEBEI TELEPHONE CONFERENCE ON PURCHASING FARM, SIDELINE PRODUCTS

SK190400 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 4 Nov 85

/Text/ On the evening of 4 November, the provincial government entrusted the provincial Grain Bureau, the provincial Supply and Marketing Cooperative, and the provincial Agricultural Bank to jointly hold a telephone conference /word indistinct/ on the various localities to firmly grasp the opportune moment and to actively purchase farm and sideline products such as grain, cotton, and oil-bearing seeds. Vice Governor Hong Yi spoke at the conference.

This year our province's progress in the purchase of grain and cotton has been slow. As of 4 November, the province as a whole had purchased and stored 220 million jin of autumn grain in granaries, accounting for only 5.6 percent of the autumn grain contract purchase task. Some 184 million jin of ginned cotton were purchased, accounting for only 14.3 percent of the purchase task. Despite fairly rapid progress in the purchase of fat and oil-bearing seeds, we have only fulfilled 32.9 percent of the contract purchase task.

In order to accelerate progress in purchasing, the conference set forth specific demands:

1. The purchasing departments should straighten out their business ideology and actively attend to purchasing work. All localities should not be petty and scheming. Some localities have delayed purchasing and accounts in order to pay less interest and storage fees. Such a way of shifting one's burdens on to others and infringing on the interests of the peasants should be resolutely checked.
2. Policies should be strictly enforced. No one is permitted to force the grades and prices down and to give preferential treatment to relatives and friends.
3. Banks should ensure the supply of funds for the purchase of grain, cotton, and oil-bearing seeds. All localities should allocate funds to the lower levels in a timely manner, and should reasonably manage such funds. If there are any localities where the purchases of farm and sideline products has been affected due to a shortage of funds, the banks should bear responsibility for this. All purchase stations should purchase, make accounts, and pay money immediately. They must not sign bills of indebtedness or deduct part of the money.

4. Management over the markets should be strengthened. Before fulfilling the state contract purchase task, all units inside or outside the province should not purchase grain in batches at a price higher than the state proportional price. Units which really need to purchase grain may entrust the grain department to purchase it after being approved by the local industrial and commercial administrative department. They may also purchase grain at appointed places at prices not higher than the proportional prices.

/12228

CS0: 4007/89

NEW IRRIGATION METHOD INCREASES OUTPUT

OW251557 Beijing XINHUA in English 1439 GMT 25 Nov 85

[Text] Shijiazhuang, 25 Nov (XINHUA)--A new technology of salt groundwater irrigation has increased grain and cotton output and prevented salinization of the fields in China's Hebei Province.

According to a survey in 11 of the 50 counties using the technology, 32,000 hectares of farmland have been irrigated this way over the past 2 years, and the annual wheat and cotton output has, on an average, increased by 60 and 10 percent respectively.

The technology, developed by the Hebei Water Conservancy Research Institute, was designed to irrigate 25,800 square kilometers of dry farmland in China's Yellow River, Huaihe River, and Haihe River plains which are endangered by salty groundwater.

Water escape canal networks are built to control the mineralization of the salty water and the flow and timing of the irrigation.

Using the new technology will not lead to salinization of the soil, said Fang Sheng, director of the institute. The use of salty groundwater for irrigation will make room underground for rain and river water, and thus help desalinize the groundwater, he added.

The technology has already attracted the attention of experts abroad. Research on the technology started in 1980.

/9604

CSO: 4020/112

## HEILONGJIANG CONFERENCE DISCUSSES GRAIN PURCHASE WORK

SK260512 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Nov 85

[Text] On the evening of 23 November, the provincial People's Government held a telephone conference to urge localities to persistently honor the contract on fixed quotas in conducting grain purchase this year and to earnestly implement the policy on final accounts in conducting the state grain purchase in order to resolutely block the practice of arbitrarily increasing grain prices and buying grain illegally and to strive to fulfill the state assignment regarding grain as soon as possible.

The conference relayed the directive issued by the State Council with regard to firmly and successfully grasping the grain purchase work. Wang Lianzheng and He Shoulun, vice governors of the province, delivered speeches at the conference.

The conference held that, despite the serious natural disaster, our province still might realize 28 billion jin in total grain output this year, which would be one of the better harvests in the history. Only by making our work successful will we be able to fulfill the state assignment of grain. Generally speaking, the policy, measure, and target set forth by the provincial authorities for purchasing grain this year are in conformity with the spirit of the State Council's directive. The situation prevailing in localities throughout the province in implementing the policy, measure, and target has been fine since the provincial conference on grain work. However, to date, no rapid progress has been made in purchasing grain in our province. This is chiefly because our province has not done sufficient work in publicizing the policy on grain purchase. Some peasants and staff members and workers on farms have waited for the right price to sell. Because some localities have made few cash payments for purchased grain, peasants have received few or no cash payments. Some localities have not conducted strict management over markets, resulting in the practice of increasing grain prices and illegally buying grain.

The conference urged the people's governments at all levels to earnestly study and implement the directive issued by the State Council with regard to successfully and firmly grasping the grain work and to persistently purchase grain in line with the contract signed this spring. The localities that have suffered from the serious disaster should lower the purchase quota,

using the manner of seeking truth from facts, in order to ensure the livelihood of victim peasants and staff members and workers on farms and to provide seeds for the next harvest. No one will ever be allowed to purchase grain beyond the quota. The localities that have reaped a bumper harvest should ensure the fulfillment of the contract signed this spring on fixed grain quota and should mobilize the peasants and staff members and workers on farms to sell their excess grain to the state at the added price and to sell their excess soybean at the list price. After fulfilling their contracts, peasants are allowed to sell their excess grain through various channels. However, the grain departments, other departments, and individuals are not allowed to purchase grain at negotiated prices until their county totally fulfills the grain contracts on the fixed quota. Efforts should be made to strive to purchase as much soybean and corn as possible.

The conference stressed that efforts should be made to earnestly implement the policy on final accounts in purchasing grain, in which we should pay peasants according to the method of their choice, such as paying them in cash or making things convenient for them to transfer their accounts. As for those peasants who have outstanding loans and debts, we should set a proper ratio between cash payment and loan withdrawal in their incomes gained by selling grain and should adequately extend the ratio of cash payment, particularly giving the greater ratio of cash payment to purchasing corn and soybean.

The conference pointed out: Grain are commodities covered by the state plan. In grain transactions, no department is allowed to increase prices of grain, to illegally buy up grain in great demand, and to lash at the state contract on grain purchase. The departments concerned should further enhance the management of grain markets in order to prevent the decentralization and outflow of grain and to strive to purchase as much grain as possible. In purchasing grain and hogs, we should conduct our work in line with the contract on the fixed quota purchase. All practices of arbitrarily apportioning expenses and willfully imposing fines are wrong and should be resolutely corrected.

The conference also pointed out: The grain assignment set forth by the provincial authorities early this year will be effective during the next 3 years. It is hoped that the broad masses of peasants and staff members and workers on farms should feel relieved in making good preparations for next year's production and strive to reap a bumper grain harvest next year so that the losses caused by the natural disaster during the year can be made up by the bumper harvest next year.

/12624  
CSO: 4007/107

## HENAN MEETING DISCUSSES WATER CONSERVANCY ISSUES

HK200143 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Nov 85

/Excerpts/ A conference on water conservancy construction convened in Zhoukou Prefecture by the Provincial CPC Committee and Government concluded on 19 November after 16 days in session. Liu Zhengwei, deputy secretary of the Provincial CPC Committee, delivered a summation.

Comrade Liu Zhengwei said: Henan has done a lot of work and scored great achievements in water conservancy in the 30 and more years since the founding of the state. The total irrigated area is now 58 million mu. Some 24 million mu of land prone to flooding now have drainage facilities. Good harvests irrespective of flood or drought can be basically assured on 36 million mu. The province's over 2,500 reservoirs of all sizes can store a total of 13.3 billion cubic meters of water, and provide 15 to 20 billion cubic meters of water each year for agricultural irrigation or for industry and the urban areas. The province's water conservancy projects have played a very good role through successive years of combatting drought and floods, ensuring successive bumper harvests. The general situation is good.

However, due to the successive bumper harvests in recent years, some cadres and masses have developed blind and complacent ideas of attaching little importance to agriculture and slackening water conservancy work. There has been serious decline in irrigation efficiency. This is extremely harmful. We must fully understand the importance of developing water conservancy work, strengthen leadership, make allround plans, and raise water conservancy construction to a new level.

The meeting called on the province to focus efforts on restoring, repairing, and completing the existing water conservancy projects so as to bring their economic effects into full play as soon as possible. Outstanding contributions should be made in leading the masses to create a new situation in water conservancy construction.

Vice Governor Hu Tingji spoke at the meeting.

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CSO: 4007/94

## BRIEFS

HUBEI AUTUMN SOWING--The province has basically completed autumn sowing. According to statistics, by mid-November, the province had sown grain on about 25 million mu of land, fulfilling 90 percent of the target. The province had sowed wheat on 19 million mu of land, fulfilling over 95 percent of the target. The province had sown barley on 2 million mu of land, fulfilling over 70 percent of the target. The province had sown rapeseed on more than 7 million mu of land, an increase of more than 16 percent over last year. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 29 Nov 85 HK] /12640

CSO: 4007/109

## HUNAN CIVIL AFFAIRS DEPARTMENTS HELP POOR HOUSEHOLDS

HK221029 Changsha Hunan Provincial Service in Mandarin 1100 GMT 20 Nov 85

[Text] In connection with the principle of relying on the masses and the collectives, helping oneself by engaging in production, mutual aid, and cooperation and using the organization of the state's necessary relief and assistance, the province's civil affairs departments at various levels improved the methods of utilizing the rural relief funds, thereby promoting the rural work of helping poor households.

Over the years, the province has helped 450,000 poor households; some 60 percent of which have caught up with and overtaken the living standards of local peasants. Some 20 percent of them have become rich.

In order to expedite the pace of helping poor households, the province has formed since the beginning of this year more than 6,100 economic entities and economic combines for helping them. These economic entities and combines have over 116,000 workers and have a gross output capacity of 300 million yuan, or a per capita income capacity of over 800 yuan. Furthermore, through various channels, the localities totally raised more than 150 million yuan of funds. Throughout the province, some 106 towns and townships have formed 596 masses' savings societies for helping the poor and providing relief. They have been joined by more than 110,000 peasant households. The total amount of savings is more than one million yuan. Through these measures, more and more poor households began getting rich.

/12624

CSO: 4007/107

## JIANGSU CIRCULAR ON AUTUMN GRAIN PROCUREMENT

OW241625 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 21 Nov 85

[Excerpts] Due to an unbroken spell of wet weather and other factors lately, the procurement of autumn grain has been rather slow in the province. In this connection, the provincial government issued a circular on 20 November, calling on all localities to pay close attention to the work of procuring and storing autumn grain.

The circular urges governments at all levels to effectively strengthen leadership over the autumn grain procurement and storage work. Principal government leaders should personally get involved in the work and assign personnel to take charge of specific responsibilities. In striving to fulfill the state procurement plan and purchase more grain and edible-oil crops, all counties and townships should immediately mobilize people to successfully complete the procurement work within about a month. Under normal circumstances, contracts signed with the peasants on purchasing grain, edible-oil crops, and other goods under the state plan must be fulfilled. Because of normal harvests this year, the peasants are encouraged to fulfill contracts and sell more grain and edible-oil crops to support the modernization drive. In areas with good harvests, efforts should be made to purchase grain voluntarily sold by the peasants after they fulfill the contracts. All food departments should actively purchase such grain at negotiated prices.

The circular says: Banks should ensure the supply of funds needed by food departments for purchasing grain and edible-oil crops. Payment to the peasants for their grain should be cashed immediately after deducting the agricultural tax. Arbitrary deduction of funds is forbidden. It is necessary to effectively strengthen supervision over the grain and edible-oil crop market. No unit or individual is allowed to drive up grain prices and violate state contracts on grain procurement. Food departments should actively negotiate buying and selling of grain and strive to curb market grain prices.

The circular calls on all levels of food departments to take immediate action to procure and store autumn grain and provide better services to make things more convenient for the peasants. Efforts should also be made to sort out and dry grain in fine weather in order to keep state grain in good condition.

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CSO: 4007/107

# PEASANT INCOME RISES IN JIANGSU PROVINCE

OW281948 Beijing XINHUA in English 1838 GMT 28 Nov 85

[Text] Nanjing, 28 Nov (XINHUA)--Diversifying the cropping system and developing sideline production have raised Jiangsu province's per capita rural income 16.1 percent this year.

The provincial statistics bureau said income in the countryside averaged 520 yuan per person this year, 72 yuan more than last year.

Bureau officials said that the rural contract system based on households, which was instituted in 1979, has helped agricultural production develop rapidly. Income this year is 2.4 times the 1980 figure.

Jiangsu has a fairly advanced rural economy. Its agricultural output value accounted for 8.29 percent of the national total, and ranked second, even though it has only 1.06 percent of the country's farmland. The rural population is 48 million.

This year, Jiangsu has abandoned the formerly mandatory state purchasing system and entrusted commercial departments to sign purchasing agreements with the peasants, who are allowed to market their products freely after they fulfill their contracts.

The province has also raised the purchasing prices of some farm produce.

Another factor in increasing the peasants' income has been the restructuring of rural production.

Peasants in the Suzhou area, for instance, are now intercropping grain with cash crops, such as fruit, melons and vegetables. They have also expanded the planting area of high-quality rice using the wheat-watermelon-rice cropping system; one hectare of land yields produce 1,500 yuan more than that under the former all-grain cropping system.

Suzhou has cut all-grain fields from 164,000 hectares in 1978 to 23,000 hectares this year.

Waterlogged land has been turned into ponds to raise fish and this has helped meet the market demands of Hong Kong, Southeast Asia, and Japan.

Wujiang county has trebled its rabbit breeding capacity and now raises more than 1.5 million a year.

The statistics bureau reported that output of oil-bearing crops increased 50 percent, while production of cocoons, meat, aquatic products, tea, fruit and poultry have also gone up this year. Only grain and cotton output was lower than the record year of 1984 because of the reduction in area planted and natural calamities.

Total agricultural output value is expected to reach 40.1 billion yuan, a 23.9 percent increase over last year.

According to a recent survey, the bureau says, 900,000 households or seven percent of the total in the province will have a per capita income of 800 yuan.

Households with a per capita income of less than 300 yuan will account for less than 18 percent.

The survey estimates that each rural resident will spend 400 yuan on consumer goods this year, including televisions, washing machines, electric fans and radio-recorders.

Villages have also smartened up as new brick and frame houses have been built. Now each person in the countryside has 17 square meters of floor space, nearly double that of 1979.

/9738

CSO: 4020/114

BRIEFS

JIANGSU RURAL ECONOMY--Prefulfilling its major agricultural targets under the Sixth 5-Year Plan, Jiangsu has completed its planned targets for total agricultural output value and grain output 3 years ahead of schedule; for cotton and oil-bearing crops, 4 years ahead of schedule; for pork, beef, and mutton output, 3 years ahead of schedule; for silkworm cocoon and marine products, 1 year ahead of schedule; and for peasants' net income, 2 years ahead of schedule. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 7 Nov 85 OW] /12640

CSO: 4007/109

JIANGXI

BRIEFS

JIANGXI GRAIN OUTPUT--Nanchang, 30 Oct (XINHUA)--The Jiangxi Provincial Bureau of Agriculture, Animal Husbandry, and Fishery predicts that Jiangxi's total grain output this year will exceed 30 billion jin. [Excerpt] [Beijing XINHUA Domestic Service in Chinese 1142 GMT 30 Oct 85 OW] /12640

CSO: 4007/109

## REFORM OF PROCUREMENT SYSTEM FOR FARM PRODUCTS DISCUSSED

Shenyang NONGYE JINGJI [AGRICULTURAL ECONOMICS] in Chinese 13 Aug 85  
pp 11-13, 16

[Article by Wang Yongliang [3769 3057 0081] and Zheng Nong [6774 6593] of the Liaoning Provincial CPC Committee, Agricultural and Industrial Department: "Issues and Measures in Reforming the System of Centralized and Assigned Procurement for Farm Products"]

[Text] Central Committee Document No 1 for 1985 points out that "starting this year, the nation will no longer assign centralized and assigned procurement tasks to peasants, apart from a very few varieties, but will implement set contract purchasing and market purchasing according to varying circumstances." We recently carried out a preliminary survey of the circumstances and issues relating to the reform of centralized and assigned farm procurement and here will present some preliminary views.

## I. The Importance of Reform

The centralized and assigned procurement system was a policy that the government established after the founding of the People's Republic for carrying out the planned, unified procurement of the most important agricultural and sideline products for the national economy and the people's livelihood and for assigning specific tasks for producers to sell to the state. At the same time, the level of the nation's social productive forces was low and we had to adopt a centralized and assigned procurement system for agricultural and sideline products. Historically, this played a positive role. For one thing, it guaranteed the livelihood of urban people; secondly it accumulated funds for national construction. However, there were also some abuses: one is that it did not improve the rural production structure. Centralized and assigned procurement levied in kind equalized the burden and forced peasants to plant various crops "small but complete" and "big and complete" in order to complete their tasks. Second, it did not help peasants to learn to "swim" in the sea of the law of value. Carrying out centralized and assigned procurement over a long period, the peasants contracted to produce and the state contracted to market. Peasants produced whatever the state planned; the state accepted whatever the peasants sold. When the supply of some agricultural products did not meet the demand, the peasants did not hear anything or ask about it; when some agricultural products were in

oversupply, peasants continued to expand production. An example is corn: the cities had already reduced consumption, but the area under cultivation continued to increase each year. Third is that procurement links were not smooth and unimpeded. Centralized and assigned procurement links included the list price, negotiated price and the increased price for over-quota production. And there were also regulations for changing the negotiated price to parity, changing parity to negotiated price, and changing negotiated price to the purchase price. In circulation links, state enterprises and collective independent businesses handled over 70 percent of agricultural and sideline produce, there were many links and much waste. Fourth is that it hindered improving quality of production and increasing the number of varieties. Fifth is that the price of agricultural and sideline products was not rational and could neither reflect value nor reflect the relationship between supply and demand. Consequently, it was quite correct and timely for the Central Committee to make the policy decision to reform the centralized and assigned procurement system for agricultural goods.

## II. New Circumstances and New Problems that Have Appeared with the Reform

The centralized and assigned procurement system was carried out for over 30 years and some peasants and grassroots cadres are quite used to it; the management systems that went along with it, such as the planning, finance, pricing and circulation systems, have already formed a complete system, and so there is a certain amount of difficulty and resistance to the reform. Viewed from the reform of Liaoning's rural centralized and assigned procurement system, it has already encountered some new situations and new problems.

First, the old agricultural planning work does not suit the new situation and peasants are worried that market purchases are not stable. This affects the greater development of farming. The centralized and assigned procurement system of the past dictated the production plan for agricultural and sideline products, such as area to be sown, varieties to be planted, and breeds and amounts to be raised, and so naturally also dictated procurement tasks. The agricultural production and procurement plans were identical. Now, however, some varieties, such as corn, paddy rice, wheat, and cotton partially carry out contract procurement and the rest is freely sold on the market; the other oil crops, food grains other than wheat and rice, vegetables, fruit, Chinese medicinal materials, and lumber, etc., implement market procurement. Agricultural production planning is determined to a very great degree by market demand. Of course, this is substantial progress. But peasants feel that such huge urban markets constantly change and that it is very difficult to get a firm grasp of the varieties and amounts that are in demand, and so they believe that farming bears a risk. This urgently demands the study and arrangement of a market procurement plan apart from contract purchases, and informing the farmers of it early in the year. In the first few years after the reform of the centralized and assigned procurement system, this becomes extremely important while peasants are still relatively unfamiliar with market regulation and the law of value. For example, the Liaohé Plain is suited to the production of grain, but in recent years the amount contracted for purchase was been only one-half of the total amount in normal years. Peasants still do not know how the half exceeding contract purchases is to be sold, or

if they will be able easily to sell off their own products. Consequently, if the market procurement plan is not handled well, it will inevitably affect the peasants' enthusiasm for production.

Secondly, there are not enough places for exchange. Before, each circulation channel had its own place of exchange. One was that state enterprises used grassroots procurement network points to purchase grain, cotton, oil, vegetables, meat, eggs, fruit and other agricultural products, which after passing through the transportation and storage stages, would be released into the consumer market; second is that grassroots supply and marketing cooperatives would buy a part of local speciality products on site, and aside from a small part that they would market themselves, would take most of the products into urban market exchanges; third is that after peasants completed their centralized and assigned procurement tasks, they would exchange their surplus products at urban markets. When the commodity production level was relatively low, and a large portion of farm products had to pass through centralized and assigned procurement and be transported out through state enterprises and collective businesses, these exchange places were barely able to meet the demand. But with the reform of centralized and assigned procurement, the amount of agricultural products purchased by the state decreases and many agricultural products must be exchanged on the market. Moreover, the amount of agricultural products has increased each year so that existing exchange places are no longer adequate. Thus very few exchange points for state enterprises and collectives have been opened up to the peasants; and so although peasants' enthusiasm for engaging in business has increased, they are limited by exchange facilities, and in recent years specialty markets that have sprung up are mostly clothing markets, while urban agricultural markets can only do retail sales, etc. All of this only exacerbates selling difficulties in rural areas. In recent years, Tieling City converted to raising corn and developing animal and poultry products, but there are only ten or so local large-scale exchange points, and taking the short, they are forced into big competition at small markets, and taking the long way, there is nothing to be done but reluctantly selling at a low price. As a result, eggs fell to 0.90 yuan per jin, and 450,000 male ducks which originally sold for over 22 yuan apiece, now cannot be sold at even one yuan.

Third, state enterprises and collectives do not have enough experience in market regulation. After we relaxed agricultural and sideline product procurement policies, there were increases in everything from the varieties to the quantities of agricultural and sideline products. First, the same kind of agriculture and sideline products suddenly increased greatly within a certain area, particularly animal and poultry products; second, with the comprehensive development of agricultural and sideline products, certain fresh, live, delicate, and tender items, such as fresh, delicate vegetables, grapes, and watermelon, are grown counter to the seasons. But the state enterprises and collectives have not changed their old habit of "sitting at the door and waiting for customers," and have not broken away from certain old practices like seasonally and cyclically making purchases, dealing in and wholesaling agricultural and sideline products, and are not used to exploiting their own strengths, storing commodities, equalizing and keeping down commodity prices, stabilizing and guiding the market, and taking part in market regulation.

Fourth, market information is not communicated. In the past, there were few agricultural and sideline products, while the state monopolized everything through the centralized and assigned procurement system. Thus market news was not important in the least for peasants. After they confronted the market to organize production and marketing, inefficient market information became a major problem blocking production and circulation. Last year, Tieling City raised several hundred thousand quail. Because their eggs have many types of amino acids needed by the human body, there is a great domestic market for them in large and middle-sized cities, and overseas. But the peasants only knew that quail eggs were worth money and did not know where to go to sell them. Consequently, "quail fever" became the "quail disaster." Some peasant households spent 2,000 yuan to bring in a bunch of quails from the outside and learned only after they reached their homes that local sales outlets were not good.

### III. Adopt New Measures To Meet New Circumstances

Reforming the centralized and assigned procurement system for agricultural and sideline products requires both enthusiasm and also constant and appropriate resolution of new problems as they occur. And to this end, we must adopt measures such as the following:

1. Do away with directive planning and realize agricultural planning guidance and macroscopic control through extensive contract procurement. The methods of agricultural planning guidance should strive to meet the specific characteristics of agricultural production and the actual circumstances of the rural economy. Viewed from natural reproduction, agricultural production is affected by climatic and geographical conditions, and it is difficult for a centralized, unified plan to be all-embracing; viewed from economic reproduction, it also included the economic relationships between the peasants and the state in the operational system of the overall national economy and is realized mainly through planned commodity exchange. Consequently, we must do things according to the law of value, utilizing price, credit, tax revenues, the supply of materials and other economic levers to implement planned guidance and lead the peasants in directive planting, production, and sales, adjusting surpluses and deficiencies and guaranteeing supplies.

The contract system is a good form for combining independent peasant farming with the state's guidance planning. By signing contracts, peasants are able to readily understand the state's plan and market demands, the state can also get a good grasp of agricultural production trends on time, and planning can be carried out on a reliable foundation. Seen from Liaoning's experience, not only can peasants sign contracts for grain and cotton, but they can also sign contracts for supplies of vegetables, eggs and meat. Not only can the state and peasants sign contracts, but large and middle-sized cities, industrial and mining enterprises, and state enterprise and collective businesses can also sign procurement contracts with peasants. Not only can they sign procurement contracts, but they can sign purchasing agent, storage agent, marketing agent, orders for goods and local processing contracts. In this way, we can reduce the blind nature of circulating agricultural and sideline products. It both can strengthen peasant confidence for developing farming and facilitate their production planning, and can help units that manage and process agricultural

products to arrange purchases, processing, storage and transportation in a planned way and organize a balanced supply for markets.

2. Set up a wholesale market for agricultural and sideline products. In 1985, Liaoning contracted to purchase 11.3 billion jin of grain and 850,000 dan of cotton, and the rest of the grain and cotton and greater part of other agricultural and sideline products depended mainly on the market for procurement. Setting up a wholesale market for agriculture and sideline products could create a place and time for market purchasing. With wholesale markets, rural households that transport goods, regional economic organizations and grassroots supply and marketing cooperatives could directly purchase agricultural products, deal in agricultural products, and depending on local conditions, take agricultural products into city markets for wholesale marketing. This reduces intermediate links and inefficiency caused by doing things in a piecemeal fashion, thereby enabling goods to flow freely. At the same time, wholesale markets are also places for information feedback, bringing buyers and sellers together, which not only expands the scope of circulation but also exchanges information back and forth. This enables producers to learn market needs and dealers to gain a good understanding of production conditions in a timely fashion. This will contribute to resolving the current inconsistencies between production and consumption. Consequently, we must strive enthusiastically to raise people's consciousness and liberalize policies. We must include the construction of wholesale markets for agriculture and sideline products in unified urban construction plans. On the one hand, we must create many new wholesale markets in large and middle-sized cities, small towns and in rural markets that are convenient to transportation; and on the other hand we must transform existing urban markets for agricultural goods, and specialized rural markets must also engage in wholesale marketing for agricultural and sideline products; at the same time we must enlarge present wholesale markets for agricultural and sideline products and improve facilities. Apart from government financial investment, the funds required for constructing wholesale markets for agricultural and sideline markets can be acquired by having local government apply for credit and then wait for repayment from the profits through the business management sector. We can also raise the funds among the people. Concerned departments in the cities, particularly the industry and commerce, municipal government, environmental protection, communications, and taxation departments can give their support to the farm and sideline product wholesale markets. Of course, we must also go forward with the necessary management, and achieve robust development that becomes more lively under this management.

3. State and collective businesses must actively take part in market regulation. At the beginning of 1985, there were more than 11,000 network points in Liaoning's rural supply and marketing cooperatives and state enterprises, and last year the total rural circulation reached 6.2 billion yuan. There was also an impressive number of service facilities, such as sites, shops and mills, processing facilities, storage and transportation facilities, information transmitting organs, etc. Consequently, state enterprise and collective businesses are still the primary channels for commodity circulation. If we want to give full play to market regulation by state-run businesses and supply and marketing cooperatives, we must first and

foremost encourage their correct business leadership thinking, and starting with a concern for their own economic interests, establish various sorts of economic responsibility systems, to carry out commodity exchange with peasants according to the principle of equal and mutual benefit. Second, we should reform existing management systems gradually and must not create confusion by doing it all at once. Purchasing stations and specialized companies that are situated in the countryside or at the production site should take part in market regulation as independent commodity producers. In this way they will not be able to monopolize or to have the name but no substance. Third is that state-run businesses and supply and marketing cooperatives should carry out national policies and plans in an exemplary way. They must strictly implement the state plan price for all products in the plan and not randomly raise prices. We must also determine a rational procurement-marketing ratio for products which are purchased and marketed through negotiation, with small profits but quick turnover. We must see that state-run and collective businesses have a considerable effect on other businesses. As long as state-run businesses and supply and marketing cooperatives want to set up the needed working reserves, they will expand their capacity for market regulation. To prevent certain individual peddlers from driving up prices, hoarding, speculating and interfering in circulation, state-run businesses and supply and marketing cooperatives must actively use their own storage, transportation and processing advantages, buying when goods are cheap, storing during the peak season, wait until the market price climbs too high and then put the reserves on the market and stabilize the prices in order to guarantee that neither the producers' nor consumers' interests are harmed.

4. Solve the problem of transmitting information. Liaoning's cities are densely populated, urban commodity markets are extensive, and the collection and dissemination of information and data can be strengthened. Consequently, we must fully utilize our present markets to collect information, draw support from fairly advanced information facilities for feedback information, and organize specialized organs to identify and analyze information. One is to use the three levels of information feedback just set up by the province, city and county to supply intelligence to various levels of leadership organs for macroeconomic decision making, and to guide the planned development of the rural commodity economy; second is that the former organization of the state-run businesses and supply and marketing cooperatives that ran around collecting agricultural information should be expanded from specializing in gathering agricultural information to collecting information from rural agriculture, industry, commerce, storage, transportation, processing, service repair and other fields, and they should also transmit this information through their own dealings; third is that regional economic organizations should also supply information services for peasants and guide the countryside in developing planned, goal-oriented commodity production; fourth is to develop specialized rural information households. The information handled by specialized households can also be sold as a commodity and about paid information transmission. For example, five peasants in Yuntai Village of Fuxian County's Zhenxiao Township set up an information service company and in 4 months served over 1,000 customers, held over 800 business talks, and signed over 50 contracts. Their volume of business reached over one million yuan, they took in nearly 10,000 yuan in information fees, and their returns were very good. Their experience is worth publicizing. The information business

iclearly is becoming more important. Consequently, we must study, formulate, support and develop a production policy for the information field. Concerned communication departments should fully use their periodicals and magazines to supply information and exchange fields of activity, resolve the various real problems of rural telegraph transmission, the installation of telephone equipment, and so on. This will enable the rural economy which has been liberated from the centralized and assigned procurement system to draw support from policy and the power of science to soar.

12452

CSO: 4007/446

## RENMIN RIBAO PRAISES SHENYANG FEED TRADE CENTER

HK240834 Beijing RENMIN RIBAO in Chinese 17 Nov 85 p 2

[Report: "Shenyang City Animal Feed Trade Center is Properly Run"]

[Text] At present, the peasants in most parts of Shenyang City area, Liaoning Province, do have to go out of their respective villages or townships to buy animal feed. This is the outcome of services provided by the animal feed trade center, run by the Shenyang City Animal Feed Company.

The company was set up last year and is under the ownership of the whole people. It has 46 staff members and workers. It mainly deals in mixed animal feeds, protein animal feeds, mineral animal feeds, feed additives, and animal feeds from by-products of grain and edible oil. It sells nearly 120 products under 5 major categories. The trade center has over 200 supply points under it, forming a vast network of feed supply. At present, this network has extended to other parts of the province and even to Jilin and Heilongjiang.

The setting up of the animal feed trade center is to meet the needs of rural areas. In the past few years, the feed industry in Shenyang City has developed quite fast. However, there were only three animal feed companies, one in the city, another in the suburbs, and the third in a county town. There were insufficient supply points and the masses found it very difficult to buy animal feeds. The Shenyang City Animal Feed Company quickly shifted its focus of attention to the planned commodity economy and to serving commodity production. It energetically took measures to solve this problem.

-- It has set up the animal feed trade center, which is directly linked with rural breeders and exchanges goods and materials with other localities across the country, and even with foreign countries. At the same time, the company has run many small shops and workshops for selling and processing animal feeds in the rural areas.

-- The company ensures the profits of shops which sell animal feeds for it by offering them lower prices. There are four different prices for the same product: the retail price, the wholesale price, the price for sole agents, and the price for agents.

-- The company undertakes the work of delivery, packaging, and unloading. In order to support the business of individual animal feed sellers, the company, in addition to delivering goods with its own vehicles, has also employed some individual transport households to deliver goods for it. Charges for delivery are set according to state standards. These transport households are under the unified management of the animal feed trade center. The center is also responsible for checking the quality of the commodities and will replace any product which is not up to standard.

-- In some localities, the breeding trade is quite developed but there is no animal feed shop. Nor do these localities have funds to set up such shops. The animal feed trade center will deliver goods directly to these places and ask some agents to handle those goods until these agents have enough funds to run an animal feed shop.

With the rapid development of animal husbandry, the contradiction between supply and demand of animal feeds has always been outstanding. Some feed products have for quite a long time been in short supply. The average annual output of animal feeds in the province can only meet 30 percent of the annual need. Through convening meetings for placing orders, holding trade fairs, and making use of information networks, the trade center has a clear view of where and how various animal feeds are produced and marketed. The trade center has established purchase and marketing ties with 172 units in 20 provinces and municipalities. It has brought large quantities of raw materials for processing animal feeds from these units, thus easing the contradiction of supply and demand in the feed market.

The purpose of operating of the animal feed trade center is to promote circulation and to serve animal husbandry production. It has always adhered to the principle of increasing its own economic results on the basis of increasing benefits to the society. It has paid great attention to the quality of its products. It checks all the goods it buys and offers prices according to the quality of goods, leaving no loopholes for speculators to exploit. In this way, it has protected the interests of the state and the masses and enjoys the confidence of the masses. From January to August this year, it has purchased over 11,500 tons of raw materials and sold over 9,800 tons of animal feeds, earning a profit of 610,000 yuan.

/12624

CSO: 4001/100

## BRIEFS

**LIAONING COTTON OUTPUT**--The peasants engaged in cotton production in the 18 areas throughout Liaoning Province have enthusiastically sold their products to the state. According to statistics compiled on 5 November, the province purchased 206,278 dan of ginned cotton. At present, the daily purchase volume has reached more than 1 million jin. /Excerpt/ /Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 9 Nov 85 SK/ 12228

**LIAONING SHELTERBELT PROJECT**--Construction of the first stage of shelterbelt for the northeast, north and northwest China has progressed with good results in Liaoning Province. As of autumn this year, shelterbelt acreage in the province totalled 6.34 million mu, overfulfilling the state-assigned task. In addition, in the second stage of shelterbelt construction, the province plans to afforest 6.36 million mu, of which 6.18 million mu will be planted. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Nov 85 SK] 12624

CSO: 4007/107

NEI MONGGOL

BRIEFS

NEI MONGGOL WOOL PROCUREMENT--As of 10 October, Nei Monggol Region had procured 85.08 million jin of sheep wool, exceeding the annual state procurement plan by 80,000 jin. /Excerpt/ /Hohhot Nei Monggol Regional Service in Mandarin  
2300 GMT 5 Nov 85 SK/ 12228

CSO: 4007/89

## IMPROVE MANAGEMENT TO ENSURE WOOL PROCUREMENT

Yinchuan NINGXIA RIBAO in Chinese 11 Sep 85 p 3

[Article: "Strengthen Management, Guarantee the Quality of Local Wool Purchases in Ningxia"]

[Text] Ningxia's local sheep wool is a superior quality wool and always has been easy to sell on the market. While assigned purchases were in effect, apart from guaranteeing the needs of production in the wool textile industry in Ningxia, a portion also was shipped to other areas in accordance with state plans. After wool purchasing was opened up during the fall of 1984, there was an upsurge in the transport of wool for sale within Ningxia, which led to the flow of a great deal of wool to the outside. To guarantee raw materials sources for local industries, the Ningxia Autonomous Region People's Government decided last year that, apart from sheep wool purchases by supply and marketing cooperatives and wool industry enterprises, no unit or individual should engage in resale for profits and no units or individuals from outside should come to Ningxia to purchase sheep wool. While setting directive prices, the Ningxia Autonomous Region Supply and Marketing Cooperatives adopted the signing of purchase contracts with peasants and opened up advance purchases at set prices, buying fertilizer on credit, exchanging wheat to purchase sheep wool and other methods. The sheep wool scattered about in the hands of farmers and herdsmen basically was bought up between January and May. The peak wool production season began in June, however, and the situation changed. Some industrial and commercial enterprises and rural and small town enterprises in other provinces did not acknowledge stipulations of the government of Ningxia and were charged with making purchases at high prices. Moreover, the purchase prices in nearby regions were substantially higher than the directive prices in Ningxia. In Ningxia, industrial and commercial enterprises, rural and small town enterprises and individuals who ship goods for resale elsewhere raised prices with great fanfare while competing to purchase, which brought chaos and abrupt price increases in sheep wool markets. Even more despicable was that after making purchases at high prices, some speculators sprinkled the wool with broth, sprayed it with honey water and added sand, after which they resold it to others for a profit. According to an investigation, a businessman in Lingwu County bought 800 jin of sheep wool from the peasants at a price of 3.40 yuan per jin and adulterated it, after which he sold it to the county wool textile mill for a price of 2.50 yuan and made a net profit of more than 200 yuan. The Tongxin County

Industry and Commerce Bureau did chemical testing of sheep wool samples resold in other areas by the Zhongwei Integrated Agricultural, Industrial and Commercial Co and discovered that they contained 45 percent sand. A sample of 108 jin of sheep wool purchased by the Buyuan County wool textile mill weighed only 21.3 jin after being washed by hand. This sort of phenomenon has become quite common during the peak period of wool purchasing this year and it has developed to an intolerable step.

In a situation of fierce competition to purchase wool, the directive prices of supply and marketing cooperatives have lost their meaning. The purchase prices of some supply and marketing cooperatives cannot keep pace with market prices. Moreover, they still must deal strictly with quality and must refuse to purchase anything that does not meet quality requirements. The result is a drop in amounts purchased. Only 1.91 million jin were purchased throughout Ningxia in June, down by 21 percent from the same period in 1984. To deal directly with the above problems and guarantee the quality and reputation of local types of sheep wool from Ningxia, and to satisfy the needs of industries in Ningxia, we offer the following opinions:

1. Adopt a method that integrates administrative intervention with economic measures to strengthen management of sheep wool purchasing. In accordance with the decisions of the Ningxia People's Government, the People's Government of Yanchi County has decided to make supply and marketing cooperatives the sole buyer of sheep wool. No other units or individuals are permitted to engage in purchasing. Industrial and commercial departments in this county have taken the initiative in combination with strengthened market administration. Supply and marketing cooperatives are issuing advance purchases and fixed prices in accordance with directive prices. It was rather difficult for the peasants to obtain loans during the spring planting season and they bought chemical fertilizer on credit and paid for it with grain. As the peak wool production season arrived, purchase prices were raised in accordance with the market, and differential prices for purchases of wool are given as compensation to the peasants before prices are raised. Rather good sources of material have been obtained. A total of more than 410,000 jin of wool was purchased, up by 20.3 percent over the same period in 1984. The adoption of Yanchi County's methods by other cities and counties not only can stabilize markets and prices but can also provide increased raw materials for the wool textile industry and guarantee the quality of wool, and the peasants also can obtain some real benefits.

2. According to the decisions, purchasers of sheep wool must pay a 10-percent product purchase tax. Some industrial and commercial enterprises, rural and small town enterprises, and individuals buying for resale elsewhere have not paid their taxes, however, which not only places them in a competitive position but also reduces state tax collections. We propose that tax departments go to each buyer and investigate tax evasion. In addition, related departments should severely punish those who adulterate goods to guarantee the quality of local types of wool goods in Ningxia.

3. In accordance with state plans in the past, in combination with guaranteeing the needs of local industries, a portion of the local types of sheep wool

in Ningxia was immediately transferred out of the region according to progress in purchasing and quantities. Ningxia's wool textile industry now has adopted direct transfers and direct purchasing between industries and herdsmen to lay in stores of a certain amount of raw material, while some also is being shipped out for sale elsewhere. Price discussions and counter offers for sheep wool purchase by supply and marketing cooperatives have led to delays and no purchases, however, which has created wool overstocks in supply and marketing cooperatives for long periods, and it has influenced capital turnover and economic results. With a prerequisite of verifying amounts purchased by industrial enterprises and determining the amounts to be sold within Ningxia by supply and marketing cooperatives, related departments can transfer the remainder to outside areas. There also should be clear stipulations as to whether or not industrial enterprise departments can ship the raw materials for wool textiles to other areas for resale.

Some counties have expanded and developed local small scale wool textile mill production and increased the amount of wool they retain for use. To avoid having small enterprises squeeze out the large ones and blind development of the wool textile industry, related departments should make plans with unified arrangements for new mill construction.

12929/12539  
CSO: 4007/39

AGRICULTURAL BANK PROVIDES FUNDS FOR SUMMER CROP PROCUREMENT

Yinchuan NINGXIA RIBAO in Chinese 24 Aug 85 p 1

[Article by Liu Huamin [0491 0553 2404] and Ma Shaotang [7456 1421 1016]:  
"Ningxia Branch of Agricultural Bank Obligates Funds for Summer Procurement"]

[Text] By way of meeting needs occasioned by reform of the agricultural and sideline products procurement system and current controls on the size of credit, the Ningxia branch of the Agricultural Bank has decided to specially administer loans for the procurement of agricultural and sideline products, to intensify internal fund transfers, and to issue 25 million yuan in funds to branch banks in prefectures and counties (or cities). This will assure fund needs for the procurement of summer grain and for other agricultural and sideline productions within plan.

Funds for procurement of agricultural and sideline products and specialized administration are reforms that help assure a supply of funds for procurement of agricultural and sideline products contracted within plan, and prevent the transfer of funds to other purposes. In the Ningxia Hui Autonomous Region, they will be used mostly for state-owned grain, commercial, and supply and marketing cooperative purchases of grain, oil-bearing crops, beef, mutton and pork, aquatic products, and livestock products.

Right now is the busy season for summer grain procurement. In order to support and coordinate with grain units in doing a good job of summer grain procurement, Ningxia Agricultural Bank has notified all banks and credit cooperatives of the need for good performance of the following tasks: (1) Genuinely good performance of busy season fund disbursement and supply work and retention of personnel on duty during holidays to assure that grain and supply and marketing units receive procurement funds promptly. (2) Promotion of final settlement of accounts for agricultural and sideline products through transfer of funds or issuance of checks for fixed amounts. The wishes of the peasants must be followed, however, and the principle of voluntary participation adhered to, with no forcible matching done. (3) No forcible deduction of loans in the handling of final accounting for money to be paid for the purchase of grain or other agricultural and sideline products, and no acting as an agent on behalf of any department or deduction of any funds whatsoever, assuring that the work of procuring summer grain and other agricultural and sideline products is performed smoothly.

## BRIEFS

WATER PUMPING PROJECT COMPLETED--Yinchuan, November 19 (XINHUA)--Some 160,000 people who live on Northern China's loess plateau now have better drinking water as a pumping project has just been completed in the Ningxia Hui Autonomous Region. Water is now being drawn from the Yellow River and carried by a 150 km trunk canal to the dry tableland, 379 meters above the river. Originally, the people of the mountainous counties of Guyuan, Haiyuan and Tongxin in the region had to drink high-flourine underground water which tastes bitter, as the annual precipitation in the area is only 200 mm to 350 mm. The canal, which flows at a rate of 20 cubic meters per second through 18 pumping stations, will irrigate about 27,000 hectares of farmland in the area and provide better-quality water for some 300,000 heads of sheep and cattle. Construction of the project started in 1978 and involved a total investment of 173 million yuan from the central government. The project also includes 349 aqueduct, culverts, bridges and power transformer substations. [Text] [Beijing XINHUA in English 0743 GMT 19 Nov 85 OW] /6662

CSO: 4020/98

## QINGHAI PEASANTS, HERDSMEN CHANGE PRODUCTION, CONSUMPTION

HK291432 Xining Qinghai Provincial Service in Mandarin 2330 GMT 27 Nov 85

[Text] Changes occurred in the production and daily life consumption of the province's peasants and herdsmen this year. The changes include the increase of peasants' consumption of the means of production and fixed assets for production, the increase in number of households that have built new houses, the steady increase of peasants' expenditures on commodities in their daily life consumption, and the increase of their purchase of durable consumer goods.

According to the survey of 430 peasants' and herdsmen's households in eight counties, which was conducted by the provincial team for random survey in the rural areas, this year's average amount of expenditures by peasants and herdsmen on agricultural means of production was 175 yuan, an increase of 23 percent over last year. The average amount of expenditures on fixed assets for production was 343 yuan, an increase of 53 percent over last year. These fixed assets were mainly motor vehicles, small-sized tractors, carts with rubber wheels pulled by draft cattle and various types of agricultural tools.

On daily life consumption, the peasants increased their expenditures on foodstuffs and commodities for daily use, while improving their living conditions. They bought more medium and high grade commodities. In the wake of improving their living standards, the peasants and herdsmen were no longer satisfied with ordinary food and clothes but wanted to buy high-class, durable and name brand commodities.

/12640

CSO: 4007/109

## COUNTY IN PROVINCE CONTROLS SOIL EROSION

OW111228 Beijing XINHUA in English 0652 GMT 11 Nov 85

[Text] Xian, November 11 (XINHUA)--Soil erosion has been brought under control in Jingbian County, Shaanxi Province, on China's north-west loess plateau, a local official said here today.

Tree-planting and the construction of reservoirs and dams have cut the amount of silt carried from the county's gullies and rivers into the Yellow River from 50 million tons in the 1950s to the present six million.

The Yellow River, flowing west to east through nine of China's provinces and autonomous regions, carries to its lower reaches 1.6 billion tons of silt every year from the loess highlands, which suffer serious soil erosion. This has raised the riverbed many meters above the surrounding land along the lower reaches.

Flooding has been prevented for many years by 1,400 kilometers--the breaching of which would endanger an area of 250,000 square kilometers.

The official said the erosion of the loess plateau and the consequent potential flooding of the Yellow River had always been a great problem, so the success of the erosion control work in Jingbian County was very important.

The country, which covers 493,000 hectares of farmland, now has trees and grass planted over 41 percent of its area, compared with two percent in the 1950s.

Planting of trees and grass has also cut the average annual number of days of wind and sand storms from the 93 days in the 1950s to no more than six days now.

The official said afforestation had reduced the annual speed of drift of the country's sand dunes from the previous four-to-six meters to less than one meter now.

The country has so far built 141 small reservoirs and more than 1,000 dams on its many gullies and five rivers which flow into the Yellow River. The reservoirs and dams filter out the silt.

People in the country have created 17,000 hectares of fertile land by spreading the filtered silt on poor soil, and irrigating it with water from the reservoirs.

## JOINT CIRCULAR ON STABLE PRICES FOR NONSTAPLE FOOD

HK261400 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 23 Nov 85

[Text] In order to basically maintain stable prices of nonstaple foodstuffs this winter and spring, the provincial commerce department, the provincial commodity prices bureau and the provincial supply and marketing cooperative recently issued a joint circular urging all localities to really stabilize the price of nonstaple foodstuffs this winter and spring.

The circular said: In order to stabilize the price of pork, the purchase price of pigs and the retail guiding price of pork this winter and spring will be determined by acting in the spirit of the circular of the provincial government on adopting effective measures to strictly control the prices, as well as the circular of the provincial commerce department and the provincial commodity prices bureau on the guiding prices for pig purchases and sales of pork.

The circular urged all localities to strengthen their control and not arbitrarily hike prices or do so in a disguised way. If the prices were increased beyond the maximum level, the localities must resolutely correct them by acting in the spirit of the provincial government's circulars. Food departments that sell pork should cut up and distribute the meat themselves after receiving approval from the local departments in charge of commerce. The commerce departments should act in light of actual conditions. All retail shops and outlets, as well as trucks, which do not have the required conditions are prohibited from cutting up and distributing the meat themselves so as to avoid the situation of hiking prices in a disguised way.

On the situation of producing and selling vegetables, the circular pointed out: All localities should continue to do well in harvesting autumn vegetables. State-run departments engaging in vegetables in large and medium-sized cities should act as being the major circulation channel, and must grasp over 50 percent of the market demand for vegetables. Therefore, we can keep the vegetable prices down and arrange well the market supply.

The circular urged the large and medium-sized cities to fix in early winter the maximum retail prices for major foodstuffs. Any losses resulting from the policy should be handled by the local financial departments.

In the wake of this year's small stock of eggs in the state-run commercial sector and soaring prices in the market, the circular said: Various localities should adopt appropriate measures of administrative intervention. Through the grain departments, they should distribute some grain at a low price to the commerce departments which will exchange the grain for non staple food in remote mountainous areas which do not have an abundant supply of grain. Therefore, the commerce departments can keep the egg prices down.

In the conclusion, the circular pointed out: The state-run, collective and individual businessmen and pedlars must observe the guiding prices for and the principle for pricing pork, eggs, vegetables and fruits, which are stipulated by the state. Anyone who violates the commodity prices policy, dominates the market by deception, and hikes prices must be seriously dealt with and have legal action taken against them.

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CSO: 4007/109

## REVIEW OF FARM MACHINERY SALES IN SHAANXI

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 19 Aug 85 p 7

[Article by Tian Zhongru [3944 1813 3067] of the Shaanxi Provincial Bank Farm Machinery Information Network: "A Review of the Farm Machinery Market in Shaanxi During the First Half of 1985"]

[Text] The situation in farm machinery market sales in Shaanxi Province during the first half of 1985 was excellent. According to statistics from the Shaanxi Farm Machinery Supply and Marketing Company, domestic net purchases and imports totalled 109.82 million yuan from January to June 1985 and domestic net sales were 120.39 million yuan, up by 38.7 and 30.1 percent respectively over the same period in 1984. Apart from machinery used to process agricultural and sideline products, sales of other types of machinery also increased by different degrees. The greatest increase was in maintenance and repair parts and other types, followed by mechanized farm machinery and tools, semi-mechanized farm tools and irrigation and drainage power machinery.

The sales situation for the various types of farm machinery was:

1. Agricultural power equipment: The shortage of electrically-powered machines in Shaanxi continued, while the contradiction between supply and demand for diesel engines was alleviated. A total of 12,588 pieces of electrically-powered machinery was sold in Shaanxi in the first half of 1985, up by 37.9 percent over the same period in 1984, with most of the electrically-powered machinery being used for agricultural and sideline product processing. The development of rural and small town processing industries in rural areas has led to steady increases in purchases of electrically-powered machinery. A total of 1,215 diesel engines was sold in Shaanxi during the first half of 1985, up by 17.6 percent over the same period in 1984. The Shaanxi Province Diesel Engine Plant began production of Model 1100 15 hp diesel engines in July, and they have been well received on the market by peasants.

2. Rural transportation machinery: A survey by the Shaanxi Industrial and Commercial Bank discovered that the incomes of specialized shipping households were the highest of all types of specialized households. For this reason, transportation machinery continues to sell well throughout Shaanxi. During the first half of 1985 some 158 large and medium-sized tractors and

11,908 small tractors were sold in Shaanxi, up by 77.5 and 12.3 percent respectively over the same period in 1984. Trailer sales also increased, including 246 large trailers, up by 170.3 percent over the same period in 1984, and 6,242 small trailers, up by 26.6 percent over the same period in 1984. State controls on loan capital have led to the prediction that trailer sales will go from brisk to stagnant during the second half of this year and that a buyer's market will appear.

3. Field machinery: The Shaanxi Province Farm Machinery Co recently convened a conference on the market situation for farm machinery. Everyone felt during the meeting that the increase in rural tractors will lead to a corresponding increase in tractor-drawn machines and tools. Some 3,962 machine-drawn plows were sold in field machinery during the first half of the year, up by 9.9 percent over the same period in 1984. Sales of machine-drawn harrows reached 39 pieces, up by 260 percent over the same period in 1984. Sales of small machine-drawn planters reached 96 units, up by 20 percent over the same period in 1984.

4. Farm and sideline product processing machinery: Sales of most types of such machinery have stagnated. Some 1,240 threshers were sold in field machinery during the first half of 1985, a decline of 7.9 percent from the same period in 1984. Sales of buffers were 2,872 units, down by 34.3 percent from the same period in 1984. Sales of oil presses were 281 pieces, down by 7 percent from the same period in 1984. Purchases of these commodities by peasants in townships and small town were mainly for the purpose of processing for others. The peasants have bought so many of them in recent years that the saturation point basically has been reached, and several decreases in outside processing fees provide sparse profits for their managers and there are few outlets. Despite the favorable elements of a bumper farm harvest and the appearance of new types of such products, it is predicted that only stability can be maintained and that there will be no major changes in the market.

12929/12539  
CSO: 4007/39

XINHUA ON SHAANXI TREE-PLANTING RESULTS

OW222041 Beijing XINHUA in English 1515 GMT 22 Nov 85

[Text] Yinchuan, 22 Nov (XINHUA)--A mass drive to plant trees and grass in parts of the arid northwest is making the Yellow River--the muddiest in the world--cleaner. Almost no silt is washed away in Jingbian County, the pace-setter in the drive in Northern Shaanxi Province, once the "Cradle of the Chinese Revolution."

The amount of silt carried by the Yellow River, which runs through Yanan and Yulin prefectures in Northern Shaanxi Province, is now 20 to 40 percent less than in the 1950's, local officials told XINHUA. The area is part of the Shaanxi-Gansu-Ningxia border region, which used to be infamous for being poverty-stricken.

The 150,000 sq km region, with a population of nine million, encompasses 50 counties and cities on the Northwest China Loess highlands. It was the site of the communist headquarters between 1935 and 1948.

Its poverty is due to soil erosion caused by indiscriminate tree felling and land reclamation, in addition to frequent natural disasters, particularly droughts.

Since 1980, top party leader Hu Yaobang has called on the local people to plant trees and grass to boost animal husbandry and restore the ecological balance.

Over the past 8 years, the government has allocated one billion yuan to develop the area through soil-erosion control, afforestation and road construction.

Under the current policy, planting of trees and grass is now undertaken on a contract basis, over a period of up to 30 or even more years. During that period, the contractors enjoy the full benefits from the trees and grass they have planted on barren hills.

The tree and grass planting drive involves over one third of the rural families in Northern Shaanxi. Peasants there have also contracted to halt soil erosion on 867,000 hectares of gullies.

Moving sand dunes are being checked by a 950-kilometer belt of poplars and willows running along the ancient great wall in Northern Yulin prefecture.

The government also encourages peasants to contract desert control projects. Now, 77 oases ranging in size from 670 to 6,700 hectares have been created on sand dunes.

Trees and grass have locked 64 percent of all sand dunes here, making it possible to grow grain crops, vegetables and watermelons and breed livestock.

Life of peasants in the border region is getting better, with the success in soil erosion control.

Grain production has increased steadily in Yan'an prefecture since 1979, although part of the farmland has been turned back into woods and pastures.

Peasants now have more than enough to eat, with grain averaging 365 kilograms per person in 1984.

But one third of them had difficulties making ends meet before 1978, when grain output averaged 200 kilograms per person.

/9604

CSO: 4020/112

## KEY MEASURES FOR INCREASING WHEAT YIELDS OUTLINED

Jinan NONGYE ZHISHI [AGRICULTURAL KNOWLEDGE] in Chinese No 17, 5 Sep 85 pp 2-3

[Article by Zheng Shoulong [6774 1343 7893], deputy director of Shandong Provincial Department of Agriculture: "Raise Shandong Province's Wheat Output to a New Level"]

[Text] Wheat is Shandong Province's major grain crop, holding first place in area sown, gross output and commodity amount. Following liberation, the province's wheat output increased fairly rapidly. In 1949, gross output of wheat was 4.6 billion jin; in 1972, the 10 billion jin mark was broken; and in 1983, the 20 billion jin mark was broken. Gross output in 1985 is forecast at more than 27 billion jin, an all-time high. On this basis, raising the province's wheat output to a new level and stabilizing gross output of wheat at more than 30 billion jin will require not merely close attention to conventional farming techniques, increasing yields per unit of area, and emphasizing quality in wheat production, but will also require current emphasis on good performance of the following tasks:

1. Reform of the farming system to expand the area sown to wheat: Following the 3d Plenum of the 11th CPC Central Committee, thanks to the implementation in rural villages of production responsibility systems and steady increase in the level of scientific farming, plus improvements in material production conditions, the stage was set very well for reform of the farming system, the wheat-growing area thereby expanding steadily. Heze Prefecture in Shandong Province took the path of "one wheat and one cotton," and spread the farming method of "four nourishings and one promotion" for a late crop of wheat. By this is meant increasing the amount of base fertilizer to nourish the late crop; ample moisture for planting seeds to nourish the late crop; selection of improved varieties to nourish the late crop, increasing the quantity of seeds using close planting to nourish the late crop, wheat output taking 5 giant steps in 5 years as a result. In 1985, the wheatfield area was more than 2 million mu larger than in 1981 and gross output reached 4.19 million jin, which was a 2.8-fold increase over 1981. This year, if Heze Prefecture's experiences can be promoted throughout the province's cotton growing areas, and if plastic mulching is used for the late wheat crop, it will be possible to sow an additional 5 million mu to wheat following the cotton harvest. Thus, the wheat growing area of the province along the Huang He in Dongying, Huimin, Dezhou, Liaocheng and Heze prefectures plus Jining City can be

expanded from the present approximately 30 million mu to 35 million mu. Consequently, diligent implementation of these measures is the key to doing a good job of readjusting the farming industry structure and raising the province's wheat output to a new level.

2. Promotion of dryland wheat and efforts to raise yields per unit of area: Shandong Province currently has more than 25 million mu of unirrigated wheatfields on which the growth and development of wheat depends largely on natural rainfall and moisture in the soil. The masses term this "dry wheat." As a result of many years of experimentation in all parts of the province, a body of fairly complete farming techniques has been distilled for dryland wheat farming. All that is required is a good job of adapting general methods to specific circumstances, and yields can be increased tremendously. One dryland wheat farming technique is deep plowing and leveling of the soil to deepen the cultivated layer and to increase the soil's ability to hold water and fertilizer. A second is increased fertilization, heavily applying a "good shot" of base fertilizer. Third is selection of drought resistant wheat varieties. Fourth is sowing in the proper season, appropriately decreasing the amount of seed that is sown, and establishing a high-yield, low-consumption colony structure. Fifth is the adaptation of general methods to specific circumstances to change farming methods. Linyi Prefecture is currently promoting dryland wheat on nearly 2 million mu, achieving remarkable results. During 1984 and 1985, Laiyang County promoted the growing of dryland wheat over a 200,000-mu area, or 50 percent of the county's infertile dryland wheatfields, producing yields of 495.2 jin per mu, a 19.3-percent increase over yields from control areas. It is possible to predict that were the dryland wheat technique to be popularized throughout the province, both yield and gross output of wheat from dryland wheatfields would increase tremendously, and the mountain region area sown to wheat would also continue to expand.

3. Concentrating on consistently high-producing wheat fields: Shandong Province has approximately 20 million mu of consistently high-producing wheatfields. These are the "leading fields" in the province's wheat production. Concentrating on consistently high-producing wheatfields has far-reaching significance for the development of the province's wheat production. One way in which to carry on high-yield wheat farming is to promote the "careful sowing high-yield farming method," which increases yields tremendously. Second is experimentation with the new technique of farming using plastic mulch. The farming techniques station in Pingdu County used the plastic mulch farming method on 550 mu of wheat, where yields broke the 900-jin mark. The county gained new experience with high yields from a large area. All prefectures and cities might study Pingdu's experiences and conduct experiments in preparation for extensive popularization. Third is replacement and selection of high-yield varieties, matching improved varieties with improved methods.

The time for autumn sowing will soon arrive. We must take firm grip now on all the preparatory work necessary for this year's fall planting, particularly implementation of fall sowing plans, technical training ahead of time, and preparing fertilizer, seed, and all other necessary materials.

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CSO: 4007/24

SUPERIOR VARIETIES REPORTED PREDOMINANT IN SHANDONG

Beijing NONGMIN RIBAO in Chinese 20 Sep 85 p 1

[Article by Yan Zengbao [1693 1073 1405] and Wang Xingqi [3769 5281 6386]:  
"Ninety Percent of Shandong's Farm Crop Area Grows Superior Varieties"]

[Text] During the course of readjusting the rural industrial structure, Shandong Province devoted serious attention to improving the quality of farm products. This year, more than 90 percent of the total area sown is growing superior variety farm crops.

In grain production, the province has increased the proportions of wheat, paddy and miscellaneous grains other than wheat and rice. It has cut back on the area planted to coarse foods such as potatoes. In Shandong this year, output of wheat as a percentage of total grain output rose from the 42.1 percent of 1984 to 48.3 percent. The area sown throughout the province to Lumai No 6 and Jinan No 13 wheat, which have a high crude protein and lysine content, is more than 40 million mu, or 70 percent of the total area sown to wheat.

In the production of cotton and peanuts, the area planted to relatively poor quality Lumian No 1 cotton has been reduced by approximately 60 percent from 1984, and the amount of relatively good quality Lumian No 2, 3, and 6 has been increased 60 percent over 1984. Planting new varieties of cotton has increased overall results by 10 percent over the previously grown variety. The greater tensile strength of the new varieties of cotton will enable the province to overfulfill its 1.6-million-dan cotton export quota for the year. Quantities of famous specialties and low-fat, high-protein livestock and poultry products have increased markedly. The newly-expanded 1 million mu of apples are mostly varieties much in demand such as red Fuji [1381 1102]. During the first half of the year, lean pork hogs in inventory numbered more than 500,000 head.

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CSO: 4007/25

SHANGHAI MAYOR ON SUBURBS' ROLE IN FOOD SUPPLY

OW011411 Shanghai City Service in Mandarin 2300 GMT 30 Nov 85

[Text] Showing concern for the people's livelihood, Shanghai Mayor Jiang Zemin pointed out during an inspection tour of Shanghai's suburban areas that it is necessary to rely mainly on the suburban areas in solving the problem of production and supply of nonstaple food for Shanghai's residents.

Recently Mayor Jiang successively visited Qingpu, Shanghai, Jinshan, Songjiang, Nanhui, Fengxian, Chuansha, and Baoshan Counties to familiarize himself with the situation there and inspect their work. He visited mostly production bases and processing plants of pork, poultry, eggs, aquatic products, and vegetables in the suburban counties, including aquatic breeding farms in Nanhui and Qingpu, prawn breeding farms in Fengxian, and livestock farms in Chuansha. He discussed in length the production and supply of nonstaple food. He told county and township cadres: The primary purpose of my current visit to the suburban counties is to study the problem of supply of nonstaple food. In the past 3 months since I came to Shanghai, I have concerned myself with the supply of nonstaple food. Food is the No 1 need of the people, and they have placed higher demands on nonstaple food. It is necessary to consider the livelihood of the more than 10 million residents of Shanghai by doing a good job in the production and supply of nonstaple food.

Mayor Jiang emphatically pointed out the importance of relying mainly on the suburban areas, not on other localities, for nonstaple food supply. He said: The construction of nonstaple food bases is an important matter. In carrying out the modernization drive, it is necessary to first improve the people's livelihood in order to achieve stability and fire up enthusiasm for production.

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CSO: 4007/109

SHANGHAI AREA EMPHASIZES EXPORT-ORIENTED FARMING

Joint Ventures To Boost Exports

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 4 Sep 85 p 1

[Article by Li Erjian [2621 1422 0256]]

[Text] At the "Academic Discussion Meeting on the Trade, Industry and Agriculture Production Structure and Legal Issues" recently convened in Shanghai, the correspondent learned that Shanghai's suburbs have begun to readjust their rural industrial structure in accordance with a program for "trade, industry and agriculture" and have organized and arranged production in accordance with needs of international markets. In 1984, the value of products purchased for export throughout the entire suburban area reached 1.35 billion yuan, a more than threefold increase over 1978. This included 1.1 billion yuan of export products from rural and small town enterprises. Plants dedicated to the production of export goods in 10 suburban counties number more than 630. From January through July 1985, output value of exports for Shanghai Municipality as a whole declined, while the output value of rural and small town industries reached more than 690 million yuan, a 6.7-percent increase over the same period in 1984.

Readjustment of rural industry in accordance with the trade industry and agriculture structure has promoted development of the rural commodity economy. In 1984, the commodity rate for the rural economy throughout the suburban area was 86.7 percent, products sold averaging 1,737 yuan per peasant capita.

Organizing production in accordance with the needs of international markets has given impetus to development of the rural economy in Shanghai's suburbs from an inward-looking type to an open type. Today, not only do they export flowers and plants, aquatic products, eggs and other fresh products, but they have also exported more than 370 kinds of other products including clothing, toys, and dehydrated vegetables.

In order to meet the needs of the trade, industry and agriculture production structure, the suburbs have gradually developed enterprises funded with foreign capital and in association with Chinese enterprises elsewhere. Today there are 19 Chinese-foreign joint venture enterprises in the suburbs, and cooperation across regional lines with other enterprises in China is being

carried out on 237 projects, these cooperative projects extending everywhere throughout the country. In addition, a group of enterprises that link farming, raising of livestock or fish and processing industries, and the integration of trade, industry and agriculture have made an appearance. An example is the Luhua Co in Shanghai's Chongming County, which has a joint venture with the Lu-er-meng [phonetic] Co of the United States for the growing, processing and export of sweet corn in a continuous process. Other examples are a joint venture between Songjiang County and the Zheng-da [phonetic] group in Thailand for the growing and processing of livestock fodder, and for the processing and marketing of livestock and poultry feed in a continuous process, and the rearing, processing and exportation in a continuous process of prawns by Nanhui and Fengxian counties.

#### Food Processing for Export Trade

Beijing RENMIN RIBAO in Chinese 4 Sep 85 p 1

[Article by Gu Chao [7357 6389]]

[Text] Chongming Island located at the mouth of the Chang Jiang is a Shanghai municipal production base for non-staple foods. In recent years, Chongming County has devoted attention to development of a food processing industry, instituting a combination of "growing, raising, and processing" to set the stage for active expansion of the export of agricultural and sideline products. This has promoted a gradual shift toward "trade, industry and agriculture" in the rural industrial lineup. The volume of transactions in agricultural and sideline products for export throughout the county amounted to 21.8 million yuan in 1984, for first place among Shanghai's suburban counties.

This county is located on the eastern tip of the island at Chengjia Town. In 1985, it set up a food canning plant in cooperation with the Yimin No 1 Food Plant of Shanghai, which produced mostly canned fruits and vegetables. It canned the asparagus, sword beans, romaine lettuce, mushrooms and pears that local peasants had grown, and it entered international markets. This spurred development of rural commodity production. During the more than 3 years since this jointly operated plant went into production, it has had fairly good economic results. It has produced 5,540 tons of canned goods of various kinds including 4,350 tons for export for an industrial output value of 13.8 million yuan and profits of 1.06 million yuan that has brought in foreign exchange equal to 10 million yuan. It has particularly increased peasant income. In 1984, the plant purchased agricultural and sideline product raw materials valued at 1.5 million yuan, and paid 160,000 yuan in wages to commune members it employed. It also spawned development of rural and small town enterprises associated with the canning plant's production, such as packing cartons, the printing of trademark labels, and the processing of tinsplate cans and glass jars for canning.

This county combined "growing, raising and processing" in order to expand exports of agricultural and sideline products. Using the farming industry as a basis, it developed livestock and aquatic products industries, thereby raising the level of rural commodity production. At Chengqiao Village in the middle of

the island, an eating chicken processing plant was set up in 1982 to produce frozen chicken for export. This plant acted as a turnkey for the development of the poultry industry throughout the county. By 1984, the number of collective chicken farms and households specializing in raising chickens had risen to more than 1,200. During 1983 and 1984, the plant's output value from processing chicken reached 10 million yuan, and it produced \$2 million in foreign exchange.

#### Processed Farm Products for Export

Beijing RENMIN RIBAO in Chinese 15 Sep 85 p 2

[Commentary by Sima Huang [0674 7456 3874]: "Modernized Agriculture Is Agricultural Processing"]

[Text] The news from Chongming County has two levels of meaning. One is that in developed coastal regions, rural villages have conditions for gradual establishment of a production structure of "trade, industry and agriculture"; the second is that expansion of farm product processing industries based upon farm-operated rural and small town enterprises deserves to be encouraged.

For coastal areas to gradually form a production structure of "trade, industry and agriculture" is an important strategic policy decision. This is not only for the purpose of earning foreign exchange but, more importantly, is to build the rural villages in these areas into windows to the outside world for China's agriculture, forming two fan shapes. Externally, they serve to introduce new technology, new varieties, and new experiences; internally, they link the exploitation of agricultural resources, and combine advanced technologies to produce high quality products that enter international markets and satisfy the needs of domestic markets. This holds great advantages for developing the rural commodity economy and for agricultural modernization.

Chongming County is a non-staple food production base for Shanghai. Because it is cut off by the mouth of the Chang Jiang making transportation inconvenient, it is fairly economically backward among the suburban counties of Shanghai. The local people say that it is "the third world" within the "first world." Nevertheless, this county is close to the large city of Shanghai, and is able to develop an advanced agricultural products processing industry based on local agricultural resources and joint operations with the city's large industrial plants or through the introduction of large plant technology, hastening the pace in building a production structure of "trade, industry and agriculture."

Modern agriculture is agricultural processing. No matter whether building a "trade, industry and agriculture" structure or the development of rural and small town enterprises, development of agricultural product processing industries should be encouraged. Only through processing can the value of agricultural products be increased and overall results in the rural economy increased. Also, only through preliminary processing or thorough processing is it possible to have high quality agricultural products that can compete on the market.

Inasmuch as the direct rate of profit from agricultural product processing industries today is not as high as for other industries, many places do not emphasize their development when creating rural and small town enterprises, which is shortsighted. When this writer visited Chenjia Town and rural area in Chongming County and the cannery that is operated in junction with the Yimin No 1 Food Plant in Shanghai, the cannery manager said that "macroeconomic results from the cannery itself are not high and profits are relatively low. However, microeconomic results are better than from typical rural and small town enterprises. The important point is that agricultural product processing industries can promote development and improvement of agriculture. Furthermore, they can provide opportunities for the surplus rural workforce, produce foreign exchange from exports, and increase peasant income and revenues for the national treasury." This is a view that shows rather sound judgment and makes people think seriously.

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## SHANGHAI

### BRIEFS

**FARMERS RAISE LIVING STANDARDS--Shanghai--**As agricultural production rapidly develops, the incomes and living standards of farmers in Shanghai suburbs have grown correspondingly. A recent sample survey shows that most rural families are now becoming wealthy. According to the survey, conducted by a municipal survey team, per capita farm income in 1984 was 785 yuan, 383 yuan more than in 1980. Households whose per capita income is 1,000 yuan or more have risen from 0.4 percent in 1980 to 20.3 percent in 1984. The number of households with per capita income between 500 to 1,000 yuan rose from 22.6 percent in 1980 to 66.7 percent in 1984; those with incomes below 200 yuan dropped from 5 percent in 1980 to nearly zero in 1984. Farmers' living expenses in 1984 averaged 619 yuan, 298 yuan more than that in 1980, a 92.8 percent increase. Consumption patterns have changed, too. Costs of food, clothing and fuel have dropped while those on housing and luxury goods have risen. Rural residents not only want clothes to be high-quality, but fashionable as well. Western-style suits, wool sweaters, leather shoes and down wear have found enthusiastic markets in rural areas. [Text] [Beijing CHINA DAILY in English 25 Nov 85 p 3] /9604

CSO: 4020/112

## BRIEFS

WHEAT, OIL PROCUREMENT PRICES ADJUSTED--The provincial government has decided to adjust the proportions for contract purchases of wheat and edible oil beginning 1 June of next year. Wheat will be changed from the currently implemented "inverted 3:7 ratio" to "inverted 2:8 ratio"; that is, the average provincial purchase price per 100 jin of standard grade-three hua [5363] wheat will change from 22.82 yuan to 23.66 yuan; edible oil (including mao [3029] cotton oil and seeds) will be adjusted from the current "regular 4:6 ratio" to "inverted 4:6 ratio"; that is, the average provincial purchase price per 100 jin of second grade edible oil will be adjusted from the current 100.80 yuan to 109.20 yuan. The average provincial purchase price per 100 jin of mao cotton oil will be adjusted from the current 86.4 yuan to 93.6 yuan. The average provincial purchase price per 100 jin of mao cotton seeds will be adjusted from the current 12.6 yuan to 13.9 yuan. After the contract purchase price has been raised, the price of that portion that is resold to the countryside will follow a policy of the same price for both purchase and sales; all that add the cost of supplies still add 10 percent of the cost. [Text] [Taiyuan SHANXI NONGMIN in Chinese 28 Aug 85 p 1] 12452

CSO: 4007/466

TIANJIN

BRIEFS

TIANJIN GRAIN HARVEST--According to statistics, the total grain output of Tianjin Municipality this year reached 2.8 billion jin, setting a record.  
/Summary/ /Tianjin TIANJIN RIBAO in Chinese 4 Nov 85 p 1 SK/ 12228

CSO: 4007/89

## XINJIANG

### BRIEFS

XINJIANG EDIBLE OIL PROCUREMENT--The amount of edible oil procured in Xinjiang Region by 5 November exceeded a record 100 million jin. This was some 40 million jin more than in 1984, a bumper harvest year. The areas sown to oil-bearing crops in our region this year was some 1 million mu larger than in 1984. Each person has an average of 17 jin of oil a year, which is much more than the national level. /Summary/ /Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Nov 85 HK/ 12228

XINJIANG WINTER SOWING COMPLETED--Winter sowing work in south and north Xinjiang Region has been basically completed. To date, the whole region has sown winter wheat on some 10.67 million mu. Five prefectures and autonomous prefectures, including Tacheng, Bayingolin, Aksu, Kashi, and Hotan, have fulfilled or overfulfilled their quotas for winter sowing. Kashi prefecture has sown superior seeds of wheat on some 1.95 million mu, which accounts for 76.3 percent of the winter-sown areas. The areas of superior seeds of wheat in Hotan Prefecture also account for 63.3 percent of the winter-sown areas. /Summary/ /Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Nov 85 HK/ 12228

CSO: 4007/89

TRENDS OF FARM MACHINERY SALES IN YUNNAN

Beijing ZHONGGUO NONGJIHUA BAO in Chinese 19 Aug 85 p 7

[Article by Cao Tianhe [2580 1131 0735] of the Yunnan Province Farm Machinery Company: "New Trends in Farm Machinery Markets in Yunnan"]

[Text] New changes now have appeared in farm machinery markets in Yunnan:

1. Sales of large and medium-sized tractors and farm transport trucks have declined. Loan reductions and increased collection of surcharges in combination with upward adjustment of prices and declining product quality have led to a sharp reduction in sales.
2. Increased sales of farm and sideline product processing machinery also include declines. Sales of these types of products were up by 32.4 percent during the first half of 1985 in comparison with the same period in 1984. The products seeing an increase in sales mainly were grinders, vermicelli makers and so on. Threshers remained stable but the decline in wheat output in Yunnan led to a 30.2 percent drop in sales of grinders and presses compared with the same period in 1984.
3. There was a trend toward alleviation of the contradiction between supply and demand of walking tractors and diesel engines. The effects of cutbacks in loan capital and other policy factors have gradually weakened the peasants' sense of urgency in purchasing these types of commodities and the long waiting list to purchase them.
4. Market competition and the increase in direct sales by factories have led to gradual increases in the units handling farm machinery products outside the state farm machinery system.

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## BRIEFS

CREDIT COOPERATIVES STEP UP ACTIVITY--All levels of credit cooperatives in Yunnan follow macroeconomic control and stimulation of the microeconomy, and give full play to their credit role among the people. By the end of July, the total balance of deposits in the provinces credit cooperatives was 1.07 billion yuan, an increase of 50 million yuan over the end of last year, and of this amount, commune members savings deposits were 610 million yuan, an increase of 100 million yuan over the end of last year. The credit given out from January through July was 810 million yuan, and increase of 270 million over the same period the previous year. In the second quarter of this year, the loans extended by the Yunnan Agricultural Bank to credit cooperatives decreased 71.6 percent over the the first quarter. To deal with this situation, the 1,400 grassroots credit cooperatives in Yunnan extensively implemented various economic responsibility systems and mobilized the enthusiasm of the staff and workers. They go from village to village, providing door-to-door services and securing the savings of peasants. At the same time, the credit cooperatives of the province also pay close attention to credit accounts that are overdue. By the end of July, they had recalled a total of 420 million yuan in loans. To promote the development of commodity production, credit cooperatives actively organize funds for horizontal adjustment of the economy. [Text] [Beijing NONGMIN RIBAO in Chinese 7 Sep 85 p 1] 12452

CSO: 4007/462

MIGRANT PEASANTS HELP OTHER REGIONS

OW201050 Beijing XINHUA in English 0838 GMT 20 Nov 85

[Text] Hangzhou, November 20 (XINHUA)--Zhejiang Province has prospered and helped other parts of China by allowing over one million of its peasants to migrate for work every year since 1979.

A provincial official noted here today that migrating was previously an unusual practice for peasants in Zhejiang, a province in Southern China with a 34-million rural population.

The official said that 1.3 million peasants are expected to bring home approximately three billion yuan this year, 15 percent of the province's output value of agriculture.

The migrants from the densely population province go mainly to comparatively less developed and sparsely populated regions in the northwest and southwest, he noted.

He pointed out that the work of the peasants has helped boost the economy of the northwest and southwest regions which are also benefited from the migrants' expertise and information they spread.

Zhejiang peasants leave in spring time every year and return in the winter. The work they do in other provinces, cities, and autonomous regions includes construction, industry, commerce and service trades.

The peasants themselves have also gained information and experience, and improved their skills when travelling and working from place to place, he added.

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